



THE INDEPENDENT

Nº 8,924

MONDAY 16 JUNE 1997

WEATHER: Scattered showers

(R45p) 40p

**Media +
FLOGGING DINOSAURS
TO DEATH**
12 PAGES OF APPOINTMENTS

**DEBORAH ROSS INTERVIEW
KEITH ALLEN:
ACTOR, COMEDIAN
AND SERIAL DAD**

**INDEPENDENT OFFER PAGE 8
GOLF: 2 FOR 1 GREEN FEES**

Crunch time for Labour over spending

Anthony Bevins,
Randeep Ramesh,
Diane Coyle
and Christian Wolmar

The crunch of the cash crisis inherited by the Labour government, with hospitals and schools facing closure and cuts, is forcing ministers to consider privatising the London Underground and cancelling the £780m Greenwich Millennium Exhibition.

John Prescott, the Deputy Prime Minister, has told BBC *Panorama* in a programme being broadcast tonight that, as matters stand, he cannot promise to find the £150m needed to stop a further deterioration of London Tube services.

Describing the agonising dilemma now faced by ministers in every spending department across Whitehall, Mr Prescott says: "It's like the hospital services. We're told they're hundreds of millions of pounds short, and they may be closing hospitals."

The schools are being told that they are desperately short and the buildings are falling down.

The desperation of the Government's plight has been aggravated by the Chancellor's pledge to stick to the Tories' departmental spending plans for two years - when those plans were already falling apart. That could well be shown by a National Audit Office report due out this week.

Mr Prescott is drawing up plans to privatise the Tube in spite of Labour's campaign promise that the party was opposed to a "wholesale" sell-off.

Panorama has obtained a letter from Mr Prescott to Geoffrey Robinson, the Paymaster General, outlining four options. The most controversial would see the Tube system split up into an infrastructure company "similar in scope to Railtrack" with an operating company running train services.

Another plan is to create a "public private joint venture for the whole of the London Underground business".

However, in both of these options, the joint ventures would see the private sector with "a majority shareholding" - a move bound to anger traditionalists. But, caught between tight spending limits and expectation to get cash for the ailing service, Mr Prescott believes this is the only way to "ensure that the investment was not classified as public expenditure".

The Tube is so starved of cash that some stations have to be propped up by scaffolding. Many escalators are closed rather than repaired. At present, its investment backlog

■ Tube may be privatised
■ Millennium expo shelved

stands at £1.2bn and London Underground say it needs £150m immediately to stop the present service from deteriorating.

Also considered is a "long concession" offered to the private sector for the whole of the Tube and the letting of individual lines, or groups of lines, to private companies.

The letter describes the timing of this process as "urgent" and calls for financial advisers, whose vast fees angered the Labour Party in opposition, to be appointed shortly. Mr Prescott also displays his awareness of his party's emphasis on spin



Prescott: No pledge on Tube funding

-doctoring by pointing out that the Department of Transport press office should "brief selected journalists who are likely to report this story in a positive light".

The Conservatives pounced on the proposals. Sir George Young, the Tories' spokesman on transport, said: "It appears that the Labour Party have been forced to adopt our plans because they have none of their own."

Sir George, when he was transport secretary, had proposed to privatise the Tube and use the receipts to fund improvements.

In a statement, Mr Prescott claimed that the draft document had been stolen, adding that "nothing in the letter is in-

consistent with my intention to explore all forms of public private partnerships".

The Millennium Exhibition, which needs a ministerial go-ahead this week, is now estimated to cost £780m, and rising, according to government sources.

Tony Blair, who held a one-hour meeting with Chris Smith, the Secretary of State for National Heritage, in an attempt to save or salvage the project, could be the last member of the Government supporting it.

But one official said yesterday that the whole idea was now deemed so "profligate" and "wasteful" that civil servants would require a ministerial instruction to sanction it.

The centrepiece of the exhibition, the dome, was savaged by ministers at a meeting last Tuesday which was called to consider two reports by consultants.

Those reports said that the dome project was not viable, that nobody knew what they could put in it, that no further private money was available, and that more money would be needed on top of the total £477m so far projected.

Frank Dobson, Secretary of State for Health, is reported to have told colleagues that the lightweight dome could turn out to be the "biggest kite in history" because the Greenwich site is so contaminated that there can be no question of allowing the dome to remain in place for more than a year.

Reports that Peter Mandelson, Minister without Portfolio, backed the scheme are only partially correct. The burden of his contribution to the discussion opposed the scheme, but in his conclusion he did say that ministers should not "have a collective loss of nerve on such a national symbol".

As the man with Mr Blair's ear, the ambiguity of Mr Mandelson's position means that none of his colleagues know whether he is speaking with the authority of the Prime Minister or not. They therefore find it difficult to know whether they should openly disagree with him.

Nevertheless, the consultants' reports will show that the entire Greenwich plan is a waste of money, and the factual and analytical reports will eventually have to be published under the Code of Open Government.

It was suggested at one point during Tuesday's meeting that if there was £450m to spare for millennium celebrations, much more peace and goodwill would be generated if £30m was handed out to 15 cities around the country.

NHS faces winter crisis, page 4

Lottery funds Royal Opera pay offs



House of pain: Its new director presided over the Arts Council when the rules were changed Photograph: Adrian Dennis

EXCLUSIVE by Anthony Bevins and David Lister

Royal Opera House redundancies are being financed by a £2.5m grant of National Lottery cash intended for good causes.

A discreet change in Arts Council guidance on the use of lottery money, agreed without publicity last November, says that "closure costs which can be funded by lottery money include... redundancy costs created by the closure."

The disclosure that the Royal Opera House is paying off staff with money that ticket buyers were told was going towards helping good causes will cause further embarrassment for Chris Smith, Secretary of State for National Heritage, following his battles with Camelot.

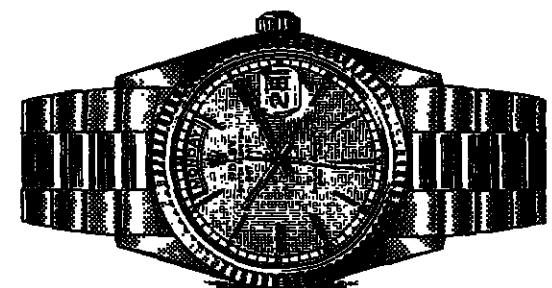
In the case of the Royal Opera House, the embarrassment is compounded by the personalities involved. The chairman of the Royal Opera House is Lord Chadlington who formerly chaired the Arts Council's National Lottery Advisory Panel, though he left in the spring of last year before the rule changes were finalised.

Lord Chadlington appointed Mary Allen, the former Arts Council secretary general, as general director of the Royal Opera House. She headed the Arts Council throughout the changes to its lottery regulations.

Lottery payments were previously restricted to building, renovation and refurbishment work - which covered the high-profile controversial initial £55m payment towards the redevelopment of the Covent Garden site, due to start next month.

According to guidance agreed by the Arts Council in November: "The lottery funding rules state that grants can be made for capital projects and

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Campbell denies taking overdose after argument

Kathy Marks

Naomi Campbell, the model, was recovering in hospital in the Canary Islands yesterday after a mysterious health scare.

Officials at the hospital in Gran Canaria initially confirmed reports by local Spanish media that Ms Campbell, 27, had taken an overdose of barbiturates in her hotel room.

She was said to have had an argument late on Saturday evening with her boyfriend, Joaquin Cortes.

But later Jonathan Goldstein, a spokesman for her London solicitors, said she had, in fact, suffered "an allergic reaction to antibiotics".

He said Ms Campbell was "perfectly well" and added: "She wishes to make it clear that there is absolutely no foundation whatsoever to the story that she had taken an overdose."

The model arrived in Gran Canaria on Friday with Mr Cortes, a flamenco dancer.

The couple were staying at the five-star Santa Catalina hotel, although in separate rooms, and were seen walking around Las Palmas on Saturday.

Staff at the seafront hotel, a favourite haunt of the rich and famous, say they heard a heated row between them that evening.

In the early hours of yesterday, Ms Campbell, who is famous for her fiery temperament, was taken by ambulance to the hospital in Las Palmas and treated in intensive care.

She was expected to be discharged last night after hospital officials said she was in a "stable clinical condition". Her London spokesman said she was "not in any danger".

It is understood that Ms Campbell, who was holidaying on the island to recuperate before a modelling assignment in Paris, was planning to leave last night on a private plane.

Mr Cortes, 28, who is in Gran Canaria for a tour of his highly successful dance show, "Gypsy Passion", was at her bedside in hospital last night.

Their relationship has apparently been under strain recently. Spanish gossip magazines claim that Mr Cortes broke it off a few weeks ago, but that Ms Campbell then followed him to Madrid and



Naomi Campbell: 'Allergic reaction to antibiotics'

threatened to kill herself unless the liaison resumed.

The couple met last November at a photoshoot for *Elle* magazine. Mr Cortes, who was recently voted "the most exciting man in Spain" by Spanish housewives, has said in one interview that he wants to marry Ms Campbell and have 10 children.

Her previous boyfriends include Mike Tyson, Sylvester Stallone and Robert de Niro.

Women only Turner Prize

The judges for the Turner Prize are preparing to announce an all-women shortlist for the ever-controversial £20,000 award for contemporary art, writes David Lister.

The shortlist will be announced tomorrow by Nicholas Serota, chairman of the judges and director of the Tate Gallery in London, who is likely to be accused of political over-correctness. It is understood that the artists Gillian Wearing, Cornelia Parker, Angela Bulloch and Christine Borland are on the list. Last year the Turner Prize shortlist comprised only men, and there was a considerable backlash.

Gillian Wearing is a video artist. For one work she filmed people confessing "sins" with the confessions wearing grotesque joke-shop masks. Cornelia Parker famously exhibited the actress Tilda Swinton in a glass case. Angela Bulloch last year had a contraption called *Mud Singer* on show at the Henry Moore Studio in Halifax. It did as its name promised over the white walls of the gallery.

Christine Borland is a sculptor whose recent exhibit *From Life* was described as "spooky, ethereal and spectral". It consisted of 21 glass panels and a negative image of bones.

In the city of dreams, page 20

THE BROADSHEET
Business & City...18,19
Comment...14,15
Features...13
Foreign News...9-11
Gazette...16

Home News...2-6
Leading articles...14
Letters...14
Obituaries...16
Shares...17

MEDIA + TABLOID
Classified...12-23
Crossword...26
Listings...24,25
Radio & TV...27,28
Weather...26



9 770951 946412

Emu brinkmanship
The new French government will pull back from the brink and sign the stability pact on fiscal discipline within Emu at the Amsterdam summit today and tomorrow. Page 11

Heseltine's warning
Michael Heseltine warned his party yesterday that it faced "a serious risk" of recreating the splits that left Labour out of office for 18 years. Page 7

CONTENTS

significant shorts

Polluted seas lead to fish-oil health scare

The seas are now so contaminated that fish oil supplements aimed at boosting people's health could be becoming dangerous, environmental campaigners warned yesterday.

Friends of the Earth issued the warning after research by government scientists showed that significant levels of the toxins dioxin and PCBs – which the World Health Organisation has warned can cause cancer – have been found in cod liver oil supplements. Children who took a capsule of cod liver oil each day might be exceeding the Government's recommended safe maximum dioxin intake, which could increase the risk of them suffering hormonal development problems and a variety of cancers in later life, the environmental group said. Adults were not so much at risk, although taking cod liver oil could push their exposure of the toxins to the limit, and pregnant women who took the supplement could damage their foetus.

Dr Michael Warhurst, spokesman for Friends of the Earth, called on the Ministry of Agriculture, Fisheries and Food to disclose the results of the survey of cod liver oil capsules, saying: "The toxins are now reaching dangerous levels in certain brands of the oil." None of the manufacturers of cod liver oil capsules were available yesterday for comment.

Mowlam initiates marching talks



The Government yesterday launched a fresh initiative to try to resolve the paramilitary crisis in Northern Ireland – just three weeks before the annual summer marching season gets into full swing.

Mo Mowlam, the Secretary of State for Northern Ireland, announced that she was to engage in an intensive fresh round of discussions with the Orange Order and the Apprentice Boys, and residents' groups, in a bid to stave off a return to the violence which swept Northern Ireland last summer. She described what happened then as "appalling" and insisted the Government was "determined" to do all it could to avoid a repeat.

Everything centres around the Drumcree Orange Order parade scheduled to take place in Portadown, County Armagh, on 6 July – and Ms Mowlam faces the difficult prospect of reconciling the Orangemen's demands that they should march down the nationalist Garvaghy Road and the residents' insistence that they should not.

Strike brings more rail misery

Rail passengers were enduring more travel misery yesterday when about a third of services were cancelled after train drivers and operators failed to agree a resolution to an industrial dispute.

The ban on overtime and rest-day working by drivers' union Aslef has caused extensive delays and overcrowding on Connex South Central services into London from Sussex, Surrey and Hampshire. The action, over a proposed restructuring deal covering pay, hours and working practices, also caused major problems for the organisers of yesterday's London to Brighton Bike Ride, and the British Heart Foundation has had to dig into its own coffers to lay on buses to transport some of the 30,000 participants back to the capital, and to refund the cost of some rail tickets. With no end in sight to the Aslef ban, travellers can expect similar levels of disruption today as on Friday, when Connex South Central was forced to cancel one in five trains.

Greenpeace declares oil sovereignty

A small group of environmentalists occupying Rockall in protest at oil activity in the Atlantic yesterday claimed sovereignty over the inhospitable outcrop, 290 miles from the Scottish coast.

The activists, from Greenpeace, hoisted a flag at the top of the 70ft high rock and declared a new global state of Waveland, but stressed they did not want to own Rockall. The Government has said Rockall is British territory and that the protesters are welcome to stay as long as they like. Four campaigners will occupy the rock, taking refuge in a survival capsule, with one always "off-duty" on the support vessel MV Greenpeace. Chris Rose, Greenpeace deputy executive director, said: "Four nations [Britain, Ireland, Iceland and Denmark] want the oil around Rockall. We do not recognise their right to develop it. We have told Tony Blair that we don't want Rockall itself but that the oil should be set aside for the common good," he said.

Freight shuttles resume in Chunnel

Truck drivers seemed unconcerned about safety fears as the first paid-for freight services resumed through the Channel Tunnel yesterday. Freight services had been suspended since fire broke out on one of the controversial lattice-sided wagons on 18 November last year. Fire brigades' unions and safety experts have voiced concerns about the wagons, which they believe helped the fire to spread through the train, but Eurotunnel bosses insisted there were no safety risks and more wagons have been ordered.

An investigation into the fire highlighted dozens of errors in the tunnel's safety procedure. A Eurotunnel spokeswoman, however, yesterday emphasised that since the fire: "We have ensured that every possible safety measure has been taken to guarantee the safety of all... customers."

Diver missing off Scottish coast

A massive air and sea search was taking place yesterday for a missing diver who is understood to have panicked while exploring the wreck of the steam ship *Helena Faulstich* off the west coast of Scotland. Another diver suffered the bends after surfacing too quickly and was rushed to Dumfries re-compression centre. The alarm was raised shortly after 3.45pm when his companion failed to surface, the Oban coastguard said.

National Lottery rollover results

Three ticket-holders shared last night's National Lottery rollover jackpot – picking up more than £4.5m each. The winning numbers in the draw were: 10, 8, 16, 43, 44, 3 with the bonus ball 34.

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people



Linda Lampanius: Critics are divided – but Finland is enthralled (Photograph: Rex)

Blonde ambition of violinist who turned down 'Baywatch'

Linda Lampanius bears an uncanny resemblance to the "Baywatch babe", Pamela Anderson, and has even been offered a part in the American television show. But she has turned down screen glory, insisting her talents lie in a more serious direction.

The 27-year-old Finn is a virtuoso violinist who has capitalised on her ample talents to further her musical ambitions.

Until recently she was known only as the leader of the Sibelius Academy Orchestra in Helsinki, but Ms Lampanius – who will take the stage name Linda Brava, when her first album, *Violator*, is released in Britain this summer – is the latest in a string of classically trained musicians who have marketed themselves as much on their sex appeal as their talent.

Vanessa-Mae, the Singapore-born violinist, was filmed wading through the sea in a clinging transparent dress and the German musician Anne-Sophie Mutter is often photographed in revealing outfits.

However, for all Ms Lampanius's charms, some are less than impressed. Adrian Jack, a critic who writes for *The Independent*, last night dismissed the trend for dressing-down as a cynical marketing scam.

"I have not heard of her [Ms Lampanius] but it sounds to me like a repulsive marketing thing," he said. "I am very sceptical about using this method to sell you. As far as I am concerned Vanessa-Mae is of mod-

est talent and it is just pure sensationalism. Anne-Sophie is talented but then she does not go to quite the same lengths as Vanessa-Mae.

"I just don't believe it is encouraging a real interest in classical music at all, people will just go to the concerts to stare."

But Ms Lampanius, who has had rave reviews in Scandinavia for her up-tempo version of Bach's *Tocata and Fugue*, has clearly seduced other critics.

"Linda can do things with a fiddle that will bring tears to your eyes. She performs her classical repertoire in spray-on latex bodysuits, swaying her hips gently with a hint of a smile playing around her full lips," gushed one smitten journalist last week.

She was virtually unknown until last autumn when, in a televised performance with the Finnish National Opera Orchestra, the programme's director refused to move his camera away from her, and the nation was gripped.

Reina Kokkola, a spokesman for her record company said: "Linda is technically very gifted. She is master of the classical violin and no matter how big a star she becomes, she will remain a serious musician."

Still, if it doesn't work out, Ms Lampanius has a range of ambitions outside music. "I am still finding time for my other interests such as boating, motor-racing, acting and getting involved in local politics," she said.

Kate Watson-Smyth

A colourful memorial to tragic Celine

The parents of the murdered French student Celine Figard (right) will today dedicate a garden to her memory, in the village where he body was discovered. Celine, 19, was found dead in a lay-by, near Ombersley, Worcestershire, in January 1996.

She had gone missing while travelling from her home in France to spend Christmas with her cousin at a Hampshire hotel. She was last seen accepting a lift at a motorway service station.

Despite a massive nationwide search for the vehicle over the freezing New Year period, Celine was not found until her body was dumped by the roadside. She had been raped and bludgeoned to death. Lorry driver Stuart Morgan was later convicted of her murder and is serving a life sentence.

The teenager's father, Bernard, a farmer, and her mother, Martine, travelled from their home in France to attend Morgan's trial at Worcester Crown Court, listening to the evidence with the help of a police interpreter.

The garden, in the grounds of St Andrew's Parish Church in Ombersley, which has been paid for by the local community, was designed by a local garden centre with a spring-time theme, and will flower every February with white



daffodils, narcissi and wild flowering bulbs.

Many of the flowers and plants originate from France.

The man who led the investigation into Celine's murder, Chief Superintendent John McCammon, and the West Mercia Police Chief Constable, David Blakey, will also attend the ceremony.

Canon Peter Kerr, Rector of Ombersley, said: "The garden is visible and lasting evidence of the strong and insistent wish of the people of this county that Celine should not be forgotten."

"It is also a living expression of our hope that young people from both our countries should travel and return home safely."

Boy saves brother from abduction

An 11-year-old boy yesterday described how he foiled a kidnap attempt, by throwing mud at a woman who tried to snatch his younger brother. John Robinson said: "I didn't think what I was doing – I just didn't want to lose Leslie."

John was playing with his 18-month-old brother in the front garden of their family home in Bruce Crescent, Hartlepool, when an Asian woman tried to lift Leslie over the fence.

His actions prevented the kidnap and the woman dropped the child and climbed back into an E-registered, burgundy coloured car and sped off with her male accomplice.

The boys' father, also called Leslie, said: "To be honest John is usually a little tearaway. He is always up to mischief. But today he decided to play with his little brother in the front garden and has ended up a hero."

"He heard this woman say 'I've got a son now' so he screamed 'Put him down that's my brother'."

"He threw a lump of clay and hit the woman on the side of her head near to her eye."

"By this time the baby was screaming, so John got hold of him and ran round to the back garden to tell my wife what had happened."

"I know these people must be sick, but it terrifies me to think what might have happened."

briefing

TELEVISION

ITC rejects complaints about election broadcasts

Commercial television's watchdog has ruled that an "interventionist approach" by interviewers is necessary when dealing with experienced politicians, and has thrown out a series of complaints from viewers about "offensive" party election broadcasts.

The Independent Television Commission turned down complaints about Sue Lawley's treatment of Michael Heseltine on *ITV 500 – The People's Election*, two days before the general election, when John Major was the only party leader not to turn up, as arranged, to answer questions from a studio audience. Eight viewers complained that Ms Lawley had been rude and had interrupted Mr Heseltine too often, but the ITC ruled that her approach had been necessary to control the programme.

The ITC has also ruled against 87 viewers who complained about various aspects of the British National Party's election broadcast. Many of the complaints were about the BNP broadcast showing identifiable members of ethnic minorities in the street and showing a multi-racial school in the East End of London.

A series of conflicting complaints about the Pro-life Alliance's election broadcast were similarly rejected. Some viewers complained before it was shown because they were worried about it being banned. Others complained after it was shown about the editing out of a sequence on abortions while others complained about it being shown at all.

Paul McCann

TRAVEL

Hotel crooks' tactics revealed

The tactics used by criminals to steal property from hotel guests are outlined in a report published by *Business Traveller* magazine. Guests are being forced to contend with increasingly determined luggage thieves, with the villains often trailing their victims from the moment they arrive at the airport, the report claims.

And if they have not struck early on, the thieves pounce when business executives reach their hotel, using a range of methods, including operating in twos and threes to create a distraction, obtaining wallets by deliberately dirtying guests' jackets and then getting them to remove them for cleaning by pretending to be hotel staff, or dropping coins and taking wallets off guests when they bend down to pick the coins up.

In addition, says the magazine, the crooks will often bring in their own briefcase or suitcase and swap it for one belonging to the guest, or steal handbags in hotel restaurants by sitting at a nearby table to the victim.



WORK

More women in the boardroom

More women are becoming company executives and the pay gap between them and male managers is beginning to close, a report says today. The number of women executives is rising faster than at any time in the past three years, reports the Institute of Management.

A poll showed that the number of women in the boardroom had reached a new peak of 4.5 per cent, up from 3.3 per cent last year. Meanwhile, women directors had pay rises averaging 9.2 per cent last year, compared with 7.8 per cent for men.

The IOM's director general, Roger Young, said: "Women are advancing across the board and organisations are rewarding their efforts. Women have demonstrated their talents, abilities and professionalism for many years, and that is now being tangibly recognised."

The average female director is 40 – eight years younger than the average male director. She earns more than £71,000 – some £20,000 less than her male counterpart – according to the survey of almost 900 directors.

NATURE

Gannets prefer Scotland, it seems

Scotland has been confirmed as world's leading habitat for gannets, with more than 50 per cent of the population coming there to breed. According to a survey of breeding colonies in the East Atlantic, 167,407 individual breeding sites were discovered in Scotland.

The population, says a report in the journal *Scottish Birds*, has increased by 2.4 per cent a year since the last complete survey, 10 years ago.

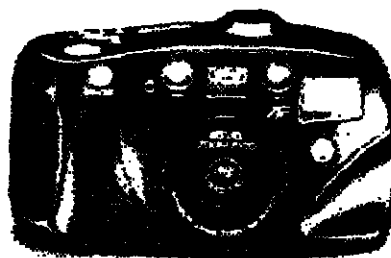
Sarah Wanless, the report's author, said: "Lack of human interference, and positive protection, is probably the major reason for this. But we still do not know enough about what they eat and, like all sea birds, they may be vulnerable to major changes in the fisheries around our coasts."

The gannet, once known as the solan goose, is Britain's most striking sea bird. The adults have a wingspan of up to 6ft and weigh about 7lbs.

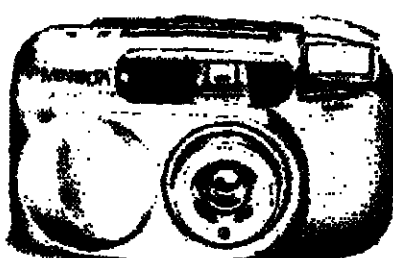
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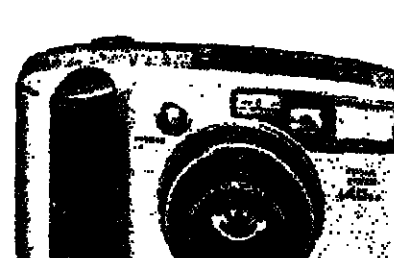
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How Hitler's snapshots ended up in Walsall



Experts vouch for the authenticity of items taken from the Nazi leader's Berlin bunker

Ian Burrell

Embossed in gold with an eagle and the initials AH, they were intended to carry the orders of the Führer to the servants of the Reich. Instead they rest in a house in Walsall in the West Midlands.

Some of the contents of Adolf Hitler's desk, inside his Berlin bunker – including his personalised leather binder and a supply of headed notepaper – are believed to have emerged, 52 years after being seized as mementos during the fall of the Nazi regime.

Three private photographs of the

Nazi hierarchy, which are believed to be previously unpublished, a Christmas card signed by the Führer, and Nazi certificates bearing the signatures of Hitler and Heinrich Himmler, have also been identified.

For more than half a century, their existence was unknown to historians until a fortnight ago, when the BBC *Antiques Roadshow* swung into Walsall.

Waiting in the line of would-be antiquarians was Dave Starbuck, 60, a retired Midlands journalist, who had acquired the Nazi material. He said it had originally been snatched up by Ronnie Read, a journalist with

Paramount News, who was covering the advance of the Allied forces into Berlin.

Roy Butler, the *Antiques Roadshow* arms and armour expert, examined the material and had no doubts it was genuine.

"I believe that was Hitler's personal notepaper," he said. "The photographs are quite genuine. The documents with Hitler's signature looked all right to me."

Mr Butler was particularly impressed with the leather folder. "It was high-quality pale blue leather, gold bordered with a swastika below an eagle and the letters AH," he said.

Mr Butler said large quantities of Nazi memorabilia had been seized by the Allies.

"Whether it was the Reich chancellery or the bunker, all the lads raced through it to see what they could find for souvenirs."

"With all these people being in their 70s, these things are now being inherited and are coming onto the market."

Next week, in Llanelli, south Wales, a rare self-portrait of Hitler, also commandeered as Allied troops swept through Germany, is to go on sale at auction.

The nine-by-six-inch pencil draw-

ing, which has been authenticated by an art expert in Manchester, is thought to be one of only six in existence. It was discovered by a former Royal Corps of Signals soldier, Donald Sims, in 1945. He was checking for booty traps in a house in Essen, Germany when he found the picture in a bricked-up wall. The drawing is expected to fetch £2,000.

The documents and photographs taken from the Berlin bunker have been valued at around £1,000, with the leather folder worth a further £1,000.

Mr Starbuck said he was given the items by an unnamed businessman

who purchased them from Mr Read's widow in 1960.

One of the photographs allegedly taken from the Führer's desk shows Hitler enjoying an intimate meal with other senior Nazis.

Another shows the dictator posing with high-ranking Nazis including Martin Bormann, Alfred Jodl and Wilhelm Keitel, while the third is a picture of Herman Goering.

Mr Starbuck said: "These three photographs have never been published. I know they are genuine. Anybody can examine them. I have no objections whatsoever, as long as they don't go out of my possession."

He also has an affidavit signed by Wilhelm Frick, Hitler's interior minister, giving a breakdown of who ran the Third Reich and photographs allegedly taken by the journalist at Hitler's bunker.

A spokesman for the Documents Department of the Imperial War Museum in London said the museum would be happy to provide an expert to examine the material.

"I suppose it's unique if he can prove that it has come from Hitler's bunker. If Mr Butler has looked at it and claimed it's the real thing, I'm sure it is," said the museum spokesman.



Window on history: A photograph of Hitler and other Nazis at dinner (above), which now belongs to Mr Starbuck, and (left) the self-portrait which is to be auctioned

Prince's attack on trendy teaching provokes fury

Lucy Ward
Education Correspondent

The heir to the throne, who has admitted his own public school days were a brutal round of compulsory morning runs and freezing showers, last night provoked fury among teachers' leaders by alleging failure in the British education system.

In a television interview marking the 21st anniversary of his charity, The Prince's Trust, Prince Charles suggested that trendy teaching policies had led to a decline in standards in the last four decades. "I don't believe it's served young people well at all," he said.

"In fact, I believe that in many ways my Trust have been picking up the pieces of a somewhat failed system," he added.

A disciplined framework to life, bestowed through education, would help young people compete for jobs in an increasingly competitive market, said the

prince, who once characterised the regime at Gordonstoun as "Colditz in kilts". He left the Morayshire school with five O-levels and two A-levels at grades B and C – substantially below the typical entry qualifications for his next educational pit-stop, Trinity College, Cambridge.

The comments by Prince Charles, who, it emerged yesterday, is to meet Tony Blair, the Prime Minister, and David Blunkett, the Secretary of State for Education, to discuss the Government's plans to help unemployed young people, sparked criticism from teachers' unions.

Nigel de Gruchy, leader of the National Association of Schoolmasters – Union of Women Teachers, insisted that condemnation of the whole education system as a failure was "a right royal travesty" which did a great disservice to teachers and children. The prince was abusing his position and should decide whether he wanted to be

a member of the royal family or a politician," he said.

Doug McAvoy, general secretary of the National Union of Teachers, said the failure the prince referred to had its roots in society as a whole, not the education system.

David Hart, general secretary of the National Association of Headteachers, said he was delighted that Prince Charles had thrown his weight behind the drive for higher standards in schools, since heads were already dedicated to the same goal. However, there was a need to look forward rather than backwards and address problems of teachers' working conditions and resources.

In his BBC interview with Sir David Frost, Prince Charles called for an end to "fatuous arguments between so-called progressives and so-called traditionalists" over education in favour of a "consensus approach". His suggestion that

Britain should look abroad to select the most successful elements of other education systems chimes exactly with the "if it works, use it" approach being promoted by education ministers.

Last week, shortly after the Frost interview was filmed, Estelle Morris, the junior Schools minister, announced plans to encourage primary school to put the three Rs at the centre of the curriculum with a focus on traditional literacy and numeracy teaching methods.

Stephen Byers, the Schools Standards minister, yesterday welcomed the Prince's comments. He told GMTV's *Sunday Programme*: "I think he is expressing the concern that many parents have, and many employers have, that for a large number of our children we are not giving them the quality education service they deserve and as a country we are falling behind other countries."

Trial delay for Saudi nurses

Ian Burrell

The trial of two British nurses charged with the murder of their Australian colleague was adjourned for another week yesterday, amid disputes about the victim's closest relatives.

Under Saudi Arabia's Islamic laws, the victim's closest surviving blood relatives are identified before the end of the trial, because in the event of conviction only they have the right to demand or waive the death penalty.

Deborah Parry and Lucille McLauchlan are accused of stabbing and beating Yvonne Gilford, 55, to death at the King Fahd Military Medical Complex in Dhahran in eastern Saudi Arabia where the three worked.

Frank Gilford, the brother of the dead nurse, has demanded the death sentence. If they are found guilty, the nurses may be beheaded.

On Thursday, the nurses' lawyer, Salah al-Hejjalan, said new evidence showed Mr Gilford was not an heir in his sis-



Lucille McLauchlan (left) and Deborah Parry



ter's will and had no right to press for the nurses' execution if they were convicted.

Defence lawyers said yesterday that the judge wanted more information on the dead nurse's heirs and on the power of attorney of the lawyers representing her brother.

"Their power of attorney was not clear and the court does

not have a record of the heirs of the dead nurse," said lawyers representing the nurses.

Mr Gilford's lawyers said they had asked for a week's delay to get the necessary documents from Australia.

"The court recognises Frank Gilford and his mother as Yvonne Gilford's blood relatives and she left her mother property and Frank a modest sum of money," said Mr Gilford's Saudi lawyers, the International Law Firm.

The two nurses appeared in court for yesterday's one-hour hearing but did not speak. Their ankles were shackled and they were covered in the traditional black robes worn by women in Saudi Arabia.

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news

NHS and schools face winter crisis

Ministers face choice between spending targets or keeping poll promises

Diane Coyle and Colin Brown

The National Health Service faces a winter of crisis unless the Government breaks its pledge to stick to existing spending plans this year and next, according to independent experts. The health and education budgets inherited from the Conservatives, which Gordon Brown has said Labour will retain for the next two years, cannot be hit without disrupting services.

Pamela Meadows, director of the Policy Studies Institute, said: "Health is the real problem. There is a clear worry that it does not have enough money to get through the winter."

NHS spending faces a shortfall of £300m this year, while more than half of all health authorities and a quarter of hospital trusts started the year in debt anyway.

Andrew Dilnot, director of the Institute for Fiscal Studies, said: "One way of constraining the spending plans is that they are Ken Clarke's little joke at Gordon Brown's expense."

He said that without an increase in planned spending on health and education this year and next, "there will be a dislocation of services that will be very hard to deal with".

The crunch in education would be likely to take place at



Strong medicine: The NHS faces a shortfall of £300m this year, while more than half of all health authorities and a quarter of trusts started the year in debt. Photograph: Brian Harris

the start of next financial year, when existing plans will force local authorities to make big cuts in schools spending.

These fresh warnings at the weekend made it clear that the Government's plans for a long-

term review of spending priorities will be overtaken by short-term crises.

They came days before the National Audit Office (NAO) is due to publish its assessment of the forecasts of government

spending and revenues made in last year's Budget. The report, which will probably be released on Thursday, is likely to pick several holes in the figures.

The NAO is expected to challenge the predicted savings of £5.7bn over three years from the crackdown on tax avoidance and benefit fraud. It could challenge, too, the former Chancellor's decision to base the social security figures on an

assumption of falling unemployment in place of the former convention of assuming unchanged unemployment.

The report is also expected to disagree with Mr Clarke's assumption that the economy's potential long-term growth had climbed by a quarter point to 2.5 per cent a year.

Together, these criticisms could carve a hole of more than £1bn in the public finances this

year, rising to some £5bn by the end of the parliament.

Thinking the unthinkable proved too controversial for Margaret Thatcher, who wound up the old Downing Street think-tank after its thoughts on welfare reform were leaked.

The Prime Minister and his Chancellor may be having similar thoughts after Frank Dobson fuelled speculation that the fundamental review could

lead to charges for home visits by the family doctor.

But the genie of fundamental reform is out of the bottle, and cannot be put back. The wildest ideas are now fair game; nothing is ruled in, and nothing is ruled out. The review is being carried out across Whitehall, it will last a year, and it will not be simply about cuts in spending.

The review is intended to ask

searching questions across departments and inside them: Can we do it better? Should we be doing it at all? Can we raise more money from it? If so, how should we use the savings/increased revenue?

The starting point for the review is the Chancellor's order to Cabinet colleagues to stick to the spending totals inherited from the Tories for the next two years. The annual spending review has been shelved to allow ministers to concentrate on the radical questions about the medium term.

The review is not driven by the search for cuts. It is about the scope of public expenditure, and how it can be recast to improve services.

John Prescott, the deputy Prime Minister, said: "I was the advocate of the audit of public assets. I am very happy for the subject of public expenditure to be reviewed to see if we can get better services, and meet our priorities on expenditure."

"We have a corporate objective to achieve those things—health, education, and jobs. They are the targets that we said in five years must be met. That is what we are embarked upon now."

Mr Prescott, who has led the drive for more private finance for public services, said the review was an attempt to change the culture of Whitehall. In his own "super department", the merged environment and transport ministries, he is introducing an integrated transport policy, which could be the key to far-reaching changes in the Thatcher "car economy".

Mr Blair's ministers are also likely to be hindered by a lack of civil servants. Tom Burke, John Gummer's past adviser at the Department of Environment, said in the *New Statesman*: "Little notice has been paid to the scale of the damage done to the civil service by the last government."



Frank Dobson: Shortfall

revised interest rates

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£200,000 - £300,000	4.20	3.36	-	-
NOVA PLUS (ISSUE 2)/NOVA GROSS (ISSUE 2)				
(NET RATES DO NOT APPLY TO NOVA GROSS (ISSUE 2))				
£50,000 - £100,000	4.00	3.20	4.00	3.20
£100,000 - £250,000	3.45	2.76	3.45	2.76
£250,000 - £500,000	2.70	2.16	2.70	2.16
£500,000 - £1,000,000	2.40	1.92	-	-

TESSA 3				
DIRECT TO TRADING LIMITS				
£1 - £9,999	6.85	-	-	-

SMALL SAVERS DEPOSIT ACCOUNT				
£1 - £999	3.50	2.80	-	-

INSTANT ACCESS DEPOSIT ACCOUNT				
£50,000 - £100,000	4.00	3.20	4.00	3.20
£100,000 - £250,000	3.45	2.76	3.45	2.76
£250,000 - £500,000	2.70	2.16	2.70	2.16
£500,000 - £1,000,000	2.40	1.92	-	-
£1 - £999	0.50	0.40	-	-

CLOSED ISSUES				
NOVA PLUS/NOVA GROSS ACCOUNT				
(INCLUDING CLOSED ISSUE TRANSFERRED ON MORTGAGE)				
(NET RATES DO NOT APPLY TO NOVA GROSS)				
£50,000 - £100,000	4.00	3.20	4.00	3.20
£100,000 - £250,000	3.45	2.76	3.45	2.76
£250,000 - £500,000	2.70	2.16	2.70	2.16
£500,000 - £1,000,000	2.40	1.92	-	-
£1 - £999	0.50	0.40	-	-

SMALL SAVERS ACCOUNT				
£1 - £999	3.50	2.80	-	-

NOVA 50				
£50,000 - £100,000	6.90	5.52	6.65	5.32

NOVA GROSS SPECIAL ACCOUNT				
£200,000 - £300,000	4.20	-	-	-

TESSA & TESSA 2				
£1 - £9,999	6.85	-	-	-

DIRECT 50				
£100,000 - £200,000	7.25	5.80	7.00	5.60

NOVA STAR (EIGHTH ISSUE)				
THIS ACCOUNT WILL CLOSE ON 17th JULY 1997				
£1,000 - £200,000	6.00	4.80	5.75	4.60

NOVA SELECT II				
£25,000 - £100,000	6.10	4.88	5.85	4.68
£100,000 - £250,000	5.95	4.76	5.70	4.56

BONUS BOOSTER BOND (ISSUE 1)				
£25,000 - £100,000	6.05*	4.84	5.80*	4.64
£100,000 - £250,000	5.95*	4.76	5.70*	4.56

ESCALATE DIRECT (ISSUE 3)				
THIS ACCOUNT WILL CLOSE ON 20th JULY 1997				
£5,000 - £100,000	6.75	5.00	6.00	4.80
£100,000 - £250,000	6.50	5.20	5.75	4.60
£250,000 - £500,000	6.25	5.00	5.50	4.40
£500,000 - £1,000,000	6.00	4.80	5.25	4.20
£1,000,000 - £2,000,000	5.75	4.60	5.00	4.00

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Memorandum to the Secretary of State for Health (Frank Dobson)

Subject: Treasury's demand for a fundamental review of spending.

There is more scope for raising charges than making cuts in the NHS. The need to find savings has been made acute by the discovery that health authorities and NHS trusts were over £300m in deficit at the end of the financial year, March 1997.

The Treasury has said it will not increase the Department's



Blunkett: Static resources

ENVIRONMENT

Memorandum to Deputy Prime Minister (John Prescott), Secretary of State for Environment, Transport and the Regions.

Subject: Treasury's fundamental spending review

The merger of the Department of Environment with Transport puts us in the driving seat (pardon the pun) to deliver change. The policy should be driven by the need for changes in priorities with a revenue-raising bonus for the Treasury. Your integrated transport policy is the key to achieving the target of cutting greenhouse gases by 20 per cent by 2010.

The options: increases in the duty on petrol and diesel; higher taxes on company cars according to engine size; out-of-town car parks could be taxed or business rated to discourage or curb car use. For Ken Clarke has raised petrol duty by 5 per cent a year without a squeal. Against: it is regressive and hits the poor driver hardest.

Roads: moratorium on road building. For: it would save billions and please Swampy. Against: towns wanting bypasses would howl, so would the road haulage lobby.

Road tolls - For: a revenue-raising move to pay for road improvements. Against: it would drive traffic onto minor roads.

London Underground - should we sell it? For: could raise £2bn, leaving the private sector to pick up the tab for years of under-investment. Against: Don't expect more than £600m after the investment hacking is paid for.

budget next year. This cannot hold - the real terms increases bequeathed by the Tories are ludicrously tight: a rise of £0.1bn to £33bn for 1998-9 and a freeze until the year 2000. An emergency cash injection will be needed. In the meantime, we have to look at the options:

Sell off more NHS land. For: land prices will rise with the housing market. Against: most of the asset sales have been achieved. Raise more in all NHS charges. For: There is room for in-

creases; as a share of NHS finance, charges have fallen to 2.4 per cent of NHS spending compared to 4.5 per cent in the late 1980s.

Against: means-testing pensioners' free prescriptions could be politically unacceptable. Hotel charges at hospitals could be allowed to raise more money for "hotel" items: bed, food, room, and five-star service. For: more variety, and choice. Against: two tier service could develop. Rationing. For: saying some things, such as

He said that the sum, plus extra to cover inflation and pay rises, would remedy teacher and book shortages and crumbling buildings and would underpin Labour's manifesto pledge to raise the proportion of national income spent on education over the course of a five-year Parliament.

With a two-year freeze on public spending levels, teachers' leaders know that, in reality, such a windfall is less likely than a rollover lottery win. However, there is still cash to play for. Although the total government

Memorandum to David Blunkett - Secretary of State for Education:

You told headteachers at their conference last month that Gordon Brown would be an "education chancellor". Teachers ultimately hope this proves to be a more accurate tag than the "iron chancellor".

At the same meeting headteachers' leader David Hart warned of a £4bn "black hole" in education spending, leaving Britain's schools system lagging far behind other countries.

Radical reform of the welfare state is the most challenging task the Government has set itself. Unfortunately, there are some unappealing obstacles.

Universal versus means-tested benefits: You have written about the moral corrosiveness of means testing and the dependency culture, created by the withdrawal of benefits when people try to move from welfare

into work. But the alternative, universal contributory benefits, are extremely expensive to fund. A large-scale move away from means-testing would require unacceptable tax increases. The challenge for reform will therefore be to target specific groups of people, like lone parents, without means-testing.

Welfare to work schemes: One pitfall is how to make sure the Government does not end up subsidising people who would have found work anyway. There are already fewer than 250,000 young people

unemployed for more than six months, so the Chancellor is having to cast around for other groups to spend the windfall tax on.

Even on the most optimistic costings, it will take at least five years for savings on welfare-to-work schemes to offset the cost. Expense: Welfare reform is usually a way of spending money rather than saving money. The introduction of housing benefit by the Tories is a good example. It now is the third-biggest item in the social security budget.

The big step in limiting future welfare costs, the linking of state pensions to prices rather than earnings, has been taken. But with pensions still taking a third of the whole budget, the only scope for further savings would be to reduce the value of the state pension even more.

It would also be desirable to limit expenditure growth in income support, housing benefit and disability and incapacity benefits, by restricting availability, and targeting particular groups eligible for benefits.

HEALTH

invitro fertilisation, are not available on the NHS would save at the margins: Against: we were elected to restore the NHS, not cut it; it would not save much.

Against: NHS tax. For: it would show the taxpayer how much goes on the NHS. Against: the Treasury doesn't want to tie its hands to earmarking taxes for one service. Charging for visits by the GP. For: it would raise substantial sums, say £10 a head. Against: it would be anathema to our supporters.

EDUCATION

grant to local authorities is fixed for next year, the share designated for education is not.

The Local Government Association is finalising a bid for the 1998-9 spending round seeking 2.7 per cent extra - around £500m - plus inflation for education.

Though schools' voices may be heard loudest, there is also pressure from the £3 billion-a-year further education sector. The Association of Colleges' submission ahead of the spending round highlights how - under Tory-set spending limits -

WELFARE STATE

unemployed for more than six months, so the Chancellor is having to cast around for other groups to spend the windfall tax on.

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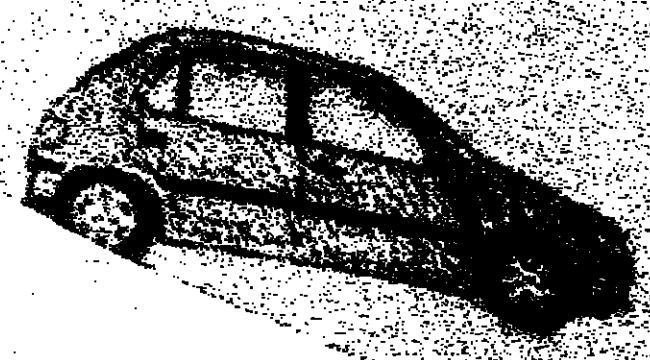
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Scooter fans hit the road to pay homage to an Italian job



Homeward bound: Patch and friends, with their Lambrettas, preparing to set off on their journey to Milan

Photograph: Tony Buckingham

Nic Cicutt

At first glance, they seem unlikely pilgrims. Yet Patch, Bell-boy, Daz and Vic are among almost 1,000 British travellers heading on a sacred mission - to reach Milan by the 50th anniversary of the birth of Lambretta, the Italian scooter which helped define the Sixties.

Patch and his friends plan to celebrate the anniversary of the first Lambretta rolling off the production line at a gigantic international rally on Saturday.

Each day this week, groups of riders from all over Britain will converge on Milan, in many cases on scooters twice as old as they are. Thousands of equally dedicated worshippers from around the world will also be paying homage after trips that may have taken several months.

For Patch (real name Patrick Hood) the Lammie is more than just a scooter. A classically trained dancer, he gave up his career as principal at the Vienna Festival Ballet to open a business, Scooter Surgery, in Tooting, south London, just over a year ago. His Lambretta epiphany came when he was 12-years-old. "A friend let me take one out illegally. It was race-tuned and I was pushing it up to 90mph. The feeling was indescribable - excitement and fear mixed into one."

The first Lambretta was designed by Ferdinando Innocenti, a steel tube manufacturer, whose factory in Milan had been heavily damaged by Allied bombing during the Second World War.

To meet the desperate need for cheap transport and get production started again at his factory, Innocenti designed a small-frame motorbike. It was made out of curved steel tubing, with small wheels, a step-through riding position and an

than two decades, aided by its more elegant slim-look design, better stability on the road, higher top speed and greater ease of maintenance.

Lambretta's demise came in 1972, despite the company launching its mechanically most advanced scooter, the GT, three years earlier. Scooterists still mutter darkly about British Leyland, the catastrophically-managed UK car manufacturer which bought Innocenti in 1971 and halted Lammie production, allegedly to concentrate on making the Mini. Innocenti itself went down the tubes a while later.

For years, Lambrettas seemed destined only for the scrap-heap. Then, as the craze for scooters took hold again, assisted by Britpop bands Oasis and Blur, plus the revival of Sixties music, Lammies were rediscovered.

Today, container-loads of broken down Lambrettas sell within days of being imported from Italy and undergo a nut-and-bolt restoration.

Patch has no qualms about the revival. "Mechanically, Lambrettas have stood the test of time. Properly restored, they can go on running forever."

Steve Edwards, his workmate at Scooter Surgery, says: "Lammies are my hobby, my job, everything. They have given me my life meaning."

'Lammies are my hobby, my job, everything. They have given me my life meaning'

engine bolted on under the seat. Lambrettas began rolling off the line in 1947 and within years were being sold by the million.

Lambretta's main competitor, launched a year earlier, was the Vespa, by Piaggio. By the late Fifties, the two had blown their rivals - including Harley-Davidson and Messerschmidt - out of the water.

In Britain, the Lammie easily outsold the Vespa for more

Heseltine warns of the exile factor

Anthony Bevins
Political Editor

Michael Heseltine warned his party yesterday that it faced "a serious risk" of recreating the rifts and splits that left Labour out of office for 18 years.

The former deputy prime minister told BBC television's *On the Record* that the Tory leadership contest was threatening to hand Tony Blair "a priceless card", with the party losing touch with Europe and slamming the door on further integration.

In an appeal for MPs to back Kenneth Clarke in this week's leadership ballots, Mr Heseltine criticised the decision of William Hague and John Redwood to rule out joining a single currency.

He said that would be an "unwise challenge to a significant number" of Tory MPs. "It would have a serious risk of igniting a period of disunity which would be exciting perhaps for everybody, but which would in my mind recreate the atmosphere of 1979, not in the Conservative Party, but in the Labour Party."

The Heseltine warning was underlined by Lord Rodgers of Quarry Bank, who, as William Rodgers, was one of the gang of four who led Labour MPs into the SDP in 1981.

He told BBC radio's *The World this Weekend* that what was happening in the Conservative Party today was "so like what happened 20 years ago in the Labour Party".

Nevertheless, last week's traumatic battle was fought all over again on the BBC Television *Breakfast with Frost* programme yesterday, with Mr Clarke warning of the consequences if Mr Hague and Mr Redwood persisted in locking out membership of a single currency for at least 10 years.

"They're not going to get many pro-Europeans into their Cabinet if that becomes the key element of their appeal," Mr Clarke said.

Nevertheless, Mr Hague - the favourite for the leadership contest - said that the single currency "bail" had to be lanced with a clear-cut line for his shadow cabinet.

But he went further still saying that, if elected, he would try to renegotiate any further tranches of sovereignty that had been handed over to Brussels by a Labour Government.

Mr Heseltine said that whoever wins this week, he does not plan to rejoin the shadow cabinet. It is also possible that other pro-European former cabinet ministers might want to return to the back benches, including Sir George Young, John Gummer and Stephen Donnell.

But Lord Archer could well be willing to offer his services to a new leader. In the Robert Kennedy Memorial Address at the Oxford Union today, he will urge his party to appoint a chief executive to drive the party to victory in the next general election.

Cabinet fears gag over union cash

Randeep Ramesh

The Cabinet Office is reviewing the rules that dictate the conduct of ministers in order to take into account the money paid by trade unions to local Labour parties.

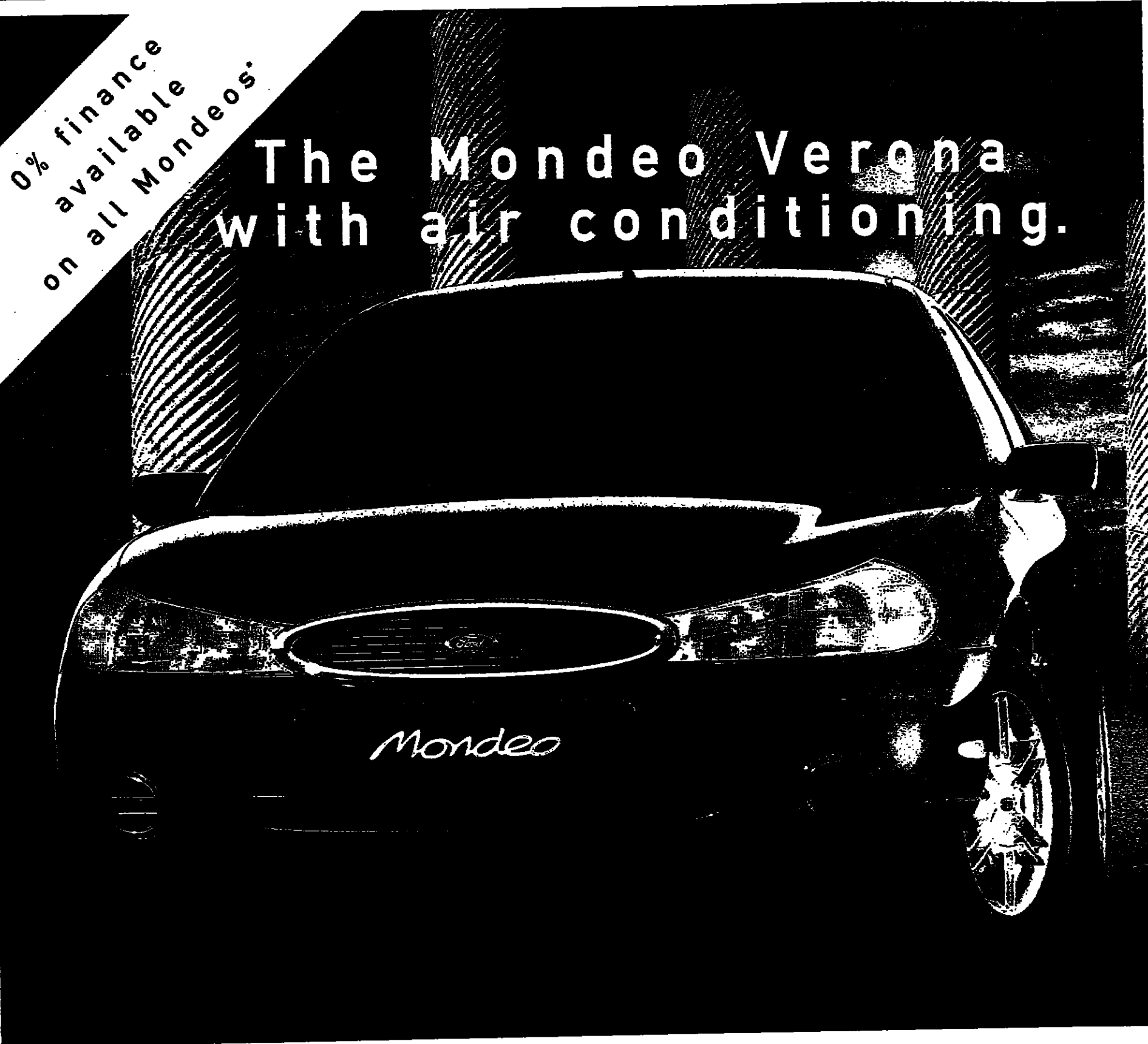
The protocols - called Questions of Procedure for Ministers - do not at present refer to union payments. This has effectively barred ministers from making public pronouncements on disputes involving trade unions because of the money paid out to individual constituency Labour parties.

At present, the Cabinet Office rules state: "Ministers should take care to ensure that they do not become associated with non-public organisations whose objectives may in any degree conflict with government policy and thus give rise to a conflict of interest."

The rules have already presented problems. Glenda Jackson, the junior transport minister whose Hampstead and Highgate constituency received £2,000 last year from Aslef, the train drivers' union, should, under these rules, refrain from commenting on the dispute between Connex South Central and its Aslef employees.

But a spokesman for Ms Jackson's office denied that she had been silenced adding that "there was no conflict of interest".

To date, Ms Jackson has not issued a statement regarding the strike - which affects thousands of commuters in the South-east. The Cabinet Office, however, does recognise the problem. "This issue does need to be resolved and will be accounted for through the current revision," said a spokeswoman.



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news

Soft sell enters battle against racism

Paul McCann
Media Correspondent

The Campaign for Racial Equality has toned down its traditionally hard-hitting anti-racism message for a new advertising campaign that will form a key part of the European Union's 1997 Year Against Racism.

The campaign, which is part funded by the Home Office, is being launched in London today by the sprinter and Olympic gold medalist Linford Christie.

The new advert, created by Saatchi & Saatchi with the help of 14 directors of commercials who donated their services, is titled *Equal* and presents an artistically shot "feel-good" message that we are all the same under the skin.

It follows the lives of people, belonging to a variety of races, from birth to death, to show that we all go through the same things - from worrying about homework to crying after an international football defeat.

Children change from black

to white as they worry about their homework, bishops and businessmen are seen at worship, and inter-racial couples blend into new combinations of colours and gender.

Kes Gray, the copywriter who created the advert for Saatchi & Saatchi, said it was a departure for the CRE: "A lot of past work for the CRE has tended to point the finger over racism. It has been really hard-hitting and aggressive, and this time we wanted the tone to be more heartfelt."

"We had a broader canvas because it was a longer film and it was for all of Europe, so we wanted to create a broad sense of humanity - we didn't want to lecture people, instead we wanted to give them a good feeling about the world."

In the past, the CRE has used images of faeces and petrol coming through a letter box, under the slogan: "And you complain about junk mail."

Its last major campaign featured identical brains of European, African and Asian origin

compared with a smaller brain labelled "racist".

However, Saatchi & Saatchi deny that the campaign marks a long-term departure for the CRE: "We are working on a much more hard-hitting campaign focused on the issue of discrimination against ethnic minority women," said Mr Gray. "Because it's a narrower topic than *Equal*, it lends itself to that."

The two-minute film was made by 14 of advertising's top directors. They included

Jonathan Glazer, responsible for the Caffrey's beer advert in which a New York pub turns into scenes of Ireland, and Nick Lewin, who made the humorous "We Want to be together!" advert for The Prudential. The directors used free time during other shoots to make their films, which were then pieced together by Saatchi's editors.

The advert will run at full length in cinemas and on MTV, as well as in shorter versions on Channel 4 and other EU television channels.



One of the images used in the new campaign

Steam trains sidelined for the summer

Kathy Marks

The evocative sound of steam trains chugging through the countryside will not be heard on Britain's main lines this summer. Railtrack has declared them a fire hazard and banished them from the entire network until September.

The move received an unexpected welcome from Pete Waterman, the music producer and railway enthusiast whose company, Rail Charter Services, is the country's largest operator of steam trains.

Mr Waterman said yesterday that the trains were like "flame throwers" in the dry summer months, with the sparks they showered out igniting vegetation along the embankments. He warned that operators who opposed the ban were an "irresponsible lunatic fringe".

The trains will still be able to run on the 80 or so preserved short private lines, where extra precautions can be taken and there is no risk of disruption to ordinary services.

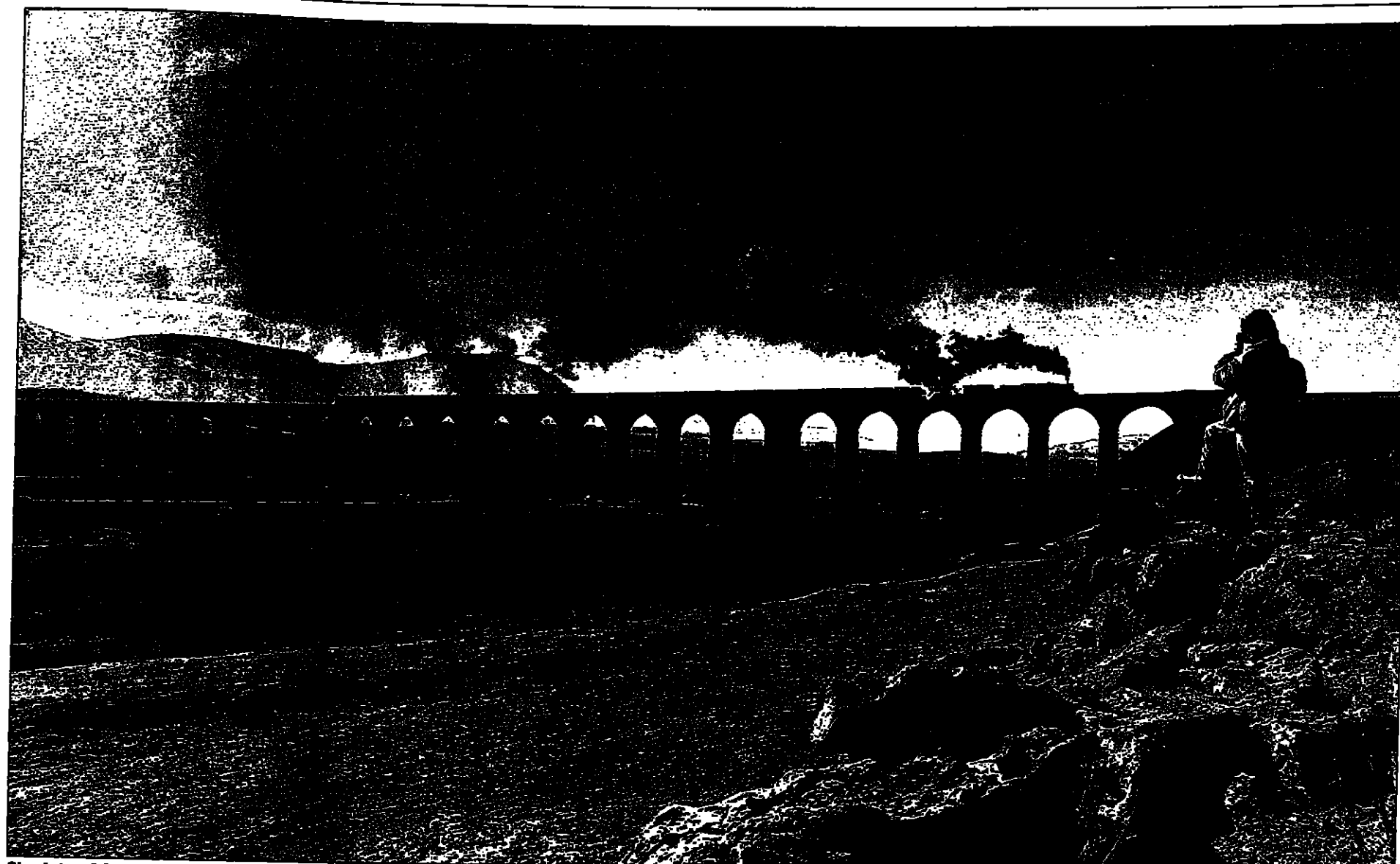
Dozens of vintage steam engines ply the British rail network, chartered mainly for day trips run by tour companies. Many of the companies are

small and say they need the summer business to survive. Railtrack instituted a partial ban last summer after an incident in which a steam train set alight a 50-mile swathe of undergrowth on the Crewe to Carlisle line, causing five-hour delays to West coast rail services.

It has been agreed with the operators that steam trains will no longer run during the months of June, July and August. A Railtrack spokesman said yesterday, "We can't risk throwing normal services into turmoil, as has happened the past two summers. The operators do have the option of attaching a diesel engine while going along a stretch of track on a main line, or they can convert to a different form of fuel."

Mr Waterman said the trains should be limited throughout the year to private lines and a few quiet mainline routes. "No-one loves steam trains more than I do, but they use 19th century technology and are extremely dangerous," he said.

He claimed there would be an outcry if Railtrack cut back the trackside undergrowth to eliminate the fire risk, as happened in the days of regular steam services.



Chariots of fire: Steam trains, such as this one crossing the Ribbleshead viaduct, are beautiful and evocative but can cause serious damage

Photograph: Barry Wilkinson

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Mountain Ash Golf Club
Ceipennar, Mountain Ash, Mid
Glamorgan

Conwy (Caernarvonshire) GC
Beacons Way, Morfa, Conwy,
Gwent

Westerwood Hotel Golf &
Country Club
1 St Andrews Drive,
Westerwood, Cumbernauld

Galashiels GC
Ladhope Recreation Area,
Galashiels, Selkirkshire

Machrie Hotel & Golf Links
Port Ellen, Isle of Islay, Argyll

Newton Stewart GC
Kirkcubright Avenue, Minnigaff,
Newton Stewart, Wigtownshire

Bridge of Allan GC
4 Pendreich Road, Bridge of
Allan, Stirlingshire

Douglasston GC
Strathblane Road, Milngavie,
Glasgow

Mount Ober Golf & Country
Club
Ballymacconagh Road,
Knockbracken, Belfast,
N.Ireland

St Helen's Bay Golf & Country
Club
St Helen's, Kilrane, Rosslare
Harbour, Co Wexford, Ireland

Fota Island GC
Carrigrohilly, Co Cork, Ireland

Lee Valley Golf & Country
Club
Clashanure, Ovens, Cork,
Ireland

Limerick Country Golf &
Country Club
Ballyneety, Co Limerick,
Ireland

North Country Park
Northop, Nr Chetsre, Flintshire

Chirk GC
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significant shorts

Novelist pays a bitter price for popularity

Susanna Tamaro is exactly the sort of author the Italian literary establishment hates. She doesn't go to the right parties (in fact, she doesn't go to parties at all). She doesn't have modish left-wing views (worse still - she is a practising Catholic). She isn't part of the creaky academic gerontocracy (she is not yet 40, and lives in the country with a girlfriend and a dog).

Most unforgivable of all, she is wildly popular. Her 1993 novel *Follow Your Heart*, a tender tale of love and betrayal stretching over three generations of women, has sold 5 million copies world-wide, making her a household name not only in her own country, but also in Germany, France and Spain.

That's more books than the entire literary establishment, Umberto Eco excepted, could ever dream of shifting. For four long years the literati have been fuming with jealous indignation. Now, with the publication of Tamaro's latest novel, *Anima Mundi*, they have seen their chance for revenge and they are taking it with gusto.

The critics have not just panned *Anima Mundi*, a reflection on the evils of the 20th century as seen through the parallel stories of two childhood friends; they have set about a wholesale character assassination of its author. Picking up on

Susanna Tamaro's success provokes the literati to pick up poison pens, writes Andrew Gumbel in Rome

the book's clear anti-communist strain, particularly in its depiction of Tito's prison camps near Trieste in the late Forties, they have tagged Tamaro as a talentless reactionary. Some have even accused her of taking inspiration from a notorious Fascist ideologue called Julius Evola, whose name appears in the book in connection with a

'Reviews made gratuitous jibes about Our Lady of the Bestsellers'

clearly disturbed character, and conclude she must be some kind of Fascist herself.

Nobody would make great claims about the literary quality of *Anima Mundi*, which has quickly departed from the top of the best-seller lists, but the level of debate has plumbed the very worst depths of carping mediocrity. Many of the reviews, having no truck with the un-

fashionable themes of evil and redemption that Tamaro tackles, have made gratuitous jibes about "Our Lady of the Bestsellers" and complained that her anti-communism is as outdated as the religious pilgrimages of the Middle Ages.

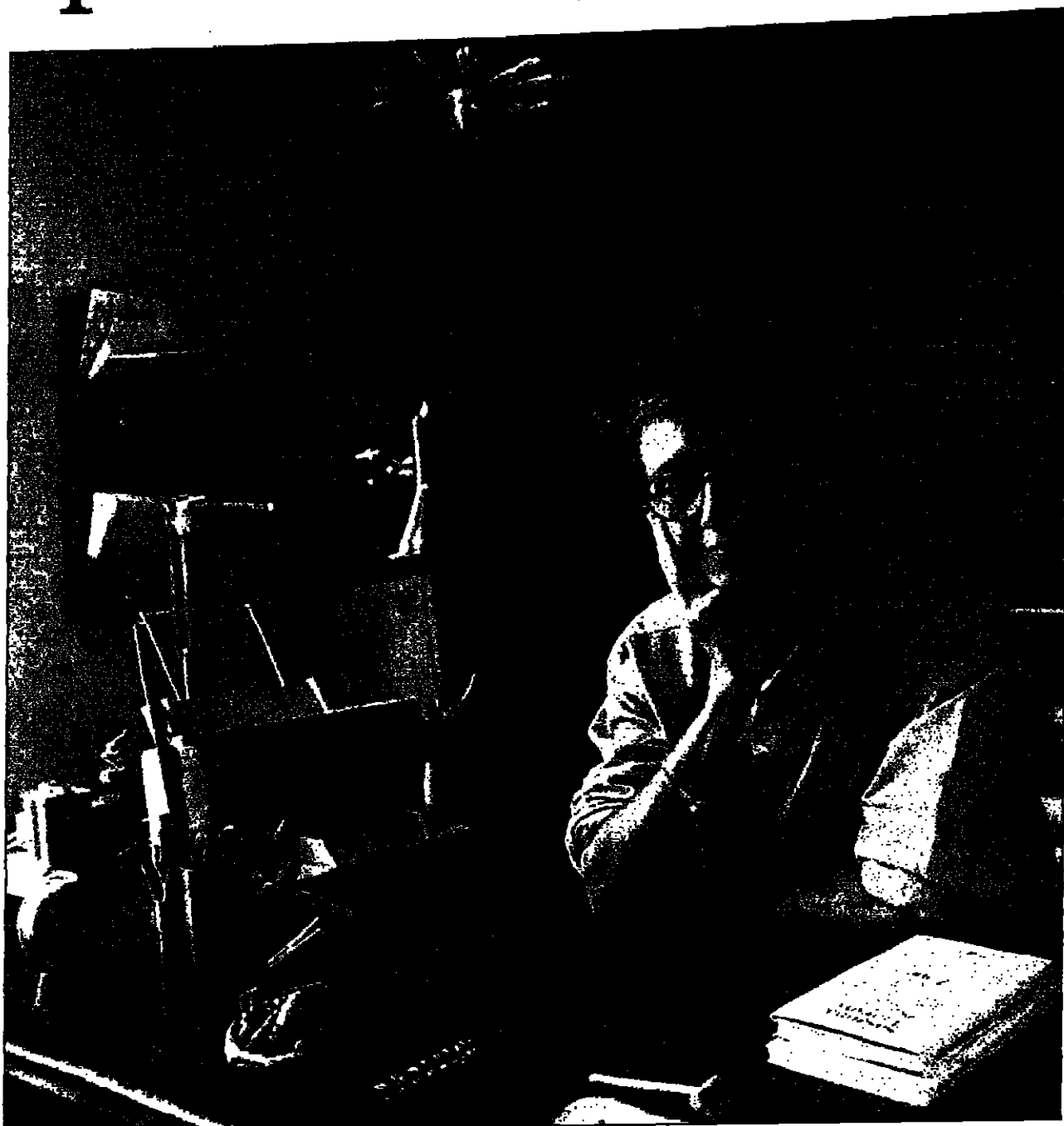
One critic, Cesare Segre, could just about swallow her implied criticism of the Italian left for failing to condemn Tito's repressive behaviour near Trieste, but wondered why Tamaro had not given space to "more positive" aspects of Italy's left-wing culture, such as the defeat of Fascism or the referendum that legalised divorce in the Seventies (the answer is that neither of these issues has anything to do with her story).

Some felt sufficiently sure of their opinions to dismiss the book without actually opening it. "When you're dealing with trash you don't have to read it to pass judgement," said Silvia Ronchey, host of a farcically precious television book programme, who described *Anima Mundi* as "two-bit spiritualism straight out of a New Age wholehearted pasta shop".

This week, after six solid months of abuse, Tamaro finally answered her critics. "Why do they call me a Fascist? Just because I said in an interview that communism had destroyed, morally, economically and socially, those countries where it has held sway? Isn't that the sad truth we can see everywhere from Albania to Russia?" she wrote. "To say that someone who no longer believes in the communist system is a Fascist seems to me an infantile simplification."

Infantile, but nevertheless a mantra of Italian cultural life, over which a certain self-satisfied strain of left-wing academics and critics has exerted a stranglehold over the past half-century. "By raising the issue of anti-communism, she has violated one of the golden rules of left-wing cultural good manners," the magazine *Panorama* commented.

The whole affair has left Tamaro bitterly disillusioned. She now avoids journalists and says she won't write another book for 20 years. The only episode in the whole affair to put a smile on her face was a rogue news report a few weeks ago - typical of the poisonous atmosphere - that she had tried to commit suicide. "This is the sort of story that will make me live for another hundred years," she crowed.



Under siege: Susanna Tamaro, whose latest novel has brought her six months of literary abuse Photograph: Patrick Landmann

Cinema tragedy may kill complacency among elite

Peter Popham
New Delhi

The cinema fire which killed 57 and injured more than 100 in South Delhi on Friday evening was India's fourth disastrous fire in less than six months.

But unlike those which killed 200 religious devotees in Orissa in February, and 41 in Tamil Nadu earlier this month, this one occurred under the noses of India's ruling class. Some of them even lost their lives. The family of a former government minister, and a cavalry officer who had just returned from winning gold medals for equestrianism at the National Games in Bangalore, were among the dead.

The fire broke on the first day showing of *Border*, an epic about the 1971 war with Pakistan, just as Pakistani bombs began to explode on screen. Had it happened during the earlier screening, Delhi's film critics

could have been wiped out en masse.

Whether the proximity of the disaster to the centres of power will persuade the authorities to do anything to make India's death-trap cinemas safer is another matter. If words were deeds, India's public buildings would already be the safest in the world: 12 government reports have been published on the subject.

But in the Uphaar Grand Cinema in Green Park, a wealthy suburb, none of the safety features taken for granted in the West was in place. The exit doors were locked from the outside, and in any case did not lead out of the building. There were no illuminated exit signs, and the hall was very overcrowded. This was apparently the third fire at the cinema in a month, and the sixth in the past 10 years.

The fire is believed to have

broken out when a transformer located on the ground floor of the recently-refurbished cinema short-circuited. Burning oil spread the flames to cars parked nearby in the indoor car park.

When the power failed, the cinema's staff apparently concluded that the fault was a routine power cut, and switched on the building's generator - thereby sucking smoke through the air-conditioning ducts into the auditorium. Four of the cinema's staff have been arrested and charged with culpable homicide.

India's celebration of 50 years of freedom has got off to a tragic start. While Britain and the United States have launched major events, in India itself *Border*, a war story that panders to Hindu chauvinism, is the closest thing to a commemorative gesture that has been made to date. That, at least, is how it was seen by the film critic of the *Indian Express*, Shubra Gupta

(she missed the fatal screening by an hour), who declared it "a good way to celebrate the 50th year of our independence" - even though, as she noted earlier in her piece, "the anti-Pakistan sentiments, which had the crowd roaring in approval - made me uncomfortable." The only positive note is that so far no one has suggested the fire was caused by a terrorist bomb.

■ Istanbul (Reuters) - Pakistan's Prime Minister, Nawaz Sharif, said at a summit of Muslim nations in Istanbul on Sunday that he was deeply concerned about the deployment by India of short-range Prithvi missiles along the border with Pakistan.

The Indian premier, Inder Kumar Gujral, has denied a US newspaper report of the deployment of the Prithvis, which Islamabad says pose a threat that Pakistan will take the "necessary measures" to meet.

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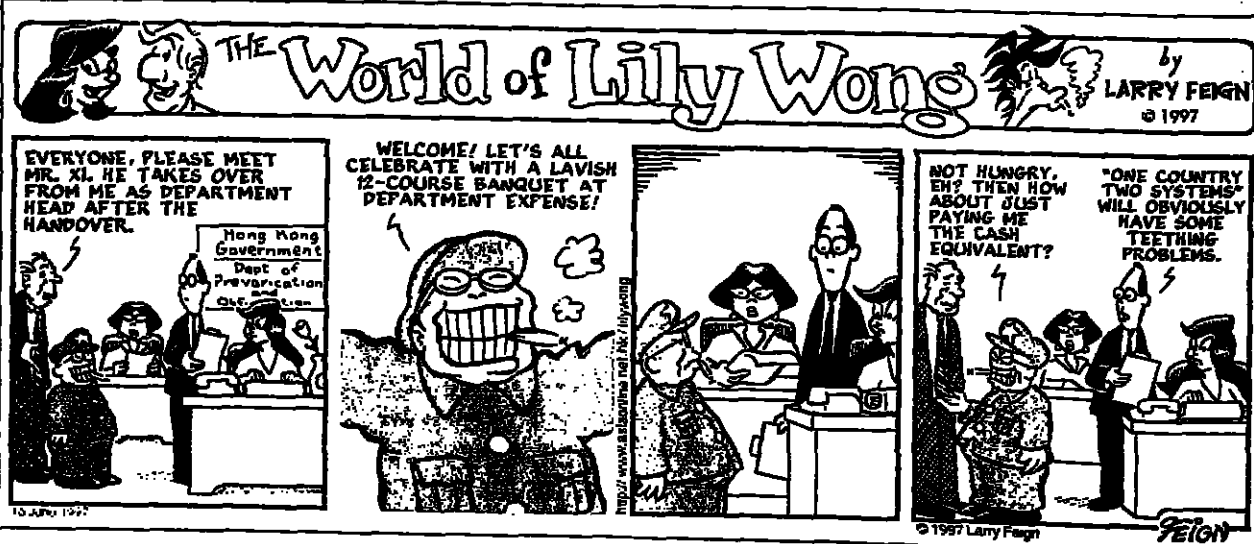
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كلنا من الأصل

Amsterdam summit

France hovers on the brink over Emu

John Lichfield
Paris

The new French government will pull back from the brink and sign the stability pact on fiscal discipline within Economic and Monetary Union at the Amsterdam summit today and tomorrow.

Who says so? Among others, Jacques Delors, the former European Commission president, now an adviser on EU affairs to

the French Prime Minister, Lionel Jospin.

Mr Jospin was less sanguine over the weekend. He would say only that he was "not pessimistic". Other French officials said things were "moving forward", after a flurry of contacts with the German and other European Union governments, and a pre-summit meeting on Saturday between Mr Jospin and his team, and President Jacques Chirac.

There is one sign that the new French government may be ready to be flexible. The proposals which they put on the table at the end of last week – rejected by Chancellor Helmut Kohl at the Franco-German summit in Potters on Friday – have still not leaked in detail to the French press.

From comments made by both sides, it is possible to guess what was in the French paper. Mr Jospin did not want to re-open

the stability pact itself, which sets tight budgetary discipline for countries joining Emu. He wanted a matching commitment to an EU economic policy oriented towards growth and job creation, and to revive plans for large, labour-intensive EU transport projects. It was the last part which most upset Chancellor Kohl.

The fact that no details of the plans have leaked leaves Mr Jospin with some negotiating room in Amsterdam. What re-

mains uncertain is Mr Jospin's mood and his strategy.

According to one interpretation, the French brinkmanship in Potters was a theatrical performance to impress public opinion. Mr Jospin is not ready to carry the blame, so early in his premiership, for wrecking Emu and damaging the Franco-German alliance. According to another interpretation, Mr Jospin is something unusual in politics: a man who means what he says.

The problem is that Mr Jospin has confused French public opinion, and his EU partners over the past week, by veering between the two options. It has been a week of zig-zags and mixed signals in Paris. After appearing to dampen expectations, Mr Jospin raised them again in Potters.

Which Mr Jospin will go to Amsterdam? The man who insists on delivering a firm first instalment on his promise to shift

the EU, and Emu, away from fiscal austerity and towards growth and jobs? Or a man who is ready to accept more or less hollow words in order to rescue Emu, and the EU, from crisis? The French Prime Minister faces an exquisite dilemma, mostly of his own creation. Having made the stability pact such a high-profile issue, his performance in Amsterdam will be the first big test of his promise to govern honestly.

■ Bad Woerishofen, Germany (Reuters) — German Finance Minister Theo Waigel said yesterday he would meet Bundesbank President Hans Tietmeyer this week to discuss plans to revalue assets at the German central bank. The Bundesbank recently shot down Mr Waigel's plan to revalue gold and currency reserves in order to ease Germany's path towards Emu.

Leading article, page 14
Gavin Davies, page 19

The issues on which Europe's leaders must reach agreement – and the one keeping them apart

Curtain up on treaty, but jobs and euro take centre stage

Sarah Helm
Amsterdam

European leaders who gather for the Amsterdam summit today will seek to shore up faltering public support for their prime objectives of political and monetary union.

The summit's original purpose was to sign a revision of the Maastricht treaty, signed in February 1992, which furthered the integration of the European Union and set out the structure of a single currency.

The new treaty will formalise arrangements for up to 10 more countries to join the EU, and produce a blueprint for reform.

Heads of government should sign it tomorrow. However, the two-day summit will be overshadowed by Europe's mounting jobs crisis, which is threatening monetary union – an issue not strictly on the agenda.

The French appear to be demanding that the rules governing participation in the single currency should be adjusted to prioritise jobs. Meanwhile the economic criteria set down at Maastricht to determine which countries qualify for the single currency remain divisive. Not even Germany looks able to meet the stipulation that a country's budget deficit should be no more than 3 per cent of gross domestic product. This has thrown up the whole question of how "hard" or "soft" the euro will be.

Last night finance ministers were meeting in an attempt to secure agreement on an amended stability pact, the set of rules and procedures for the single currency, which would impose heavy penalties on less disciplined economies.

Without a swift deal on the pact at Amsterdam, the future of monetary union

will be called into serious question, and the markets may lose faith in the commitment of European leaders to proceed.

The leaders will attempt to isolate the conflict over the single currency from their final round of negotiations on the Amsterdam treaty, setting out new power-sharing procedures in areas such as justice and home affairs and defence and foreign policy.

Tony Blair, attending his first full EU summit, must bargain hard if he is to ensure Britain's views on job creation policy, European defence and immigration are taken into account in the new treaty. The Prime Minister also hopes to win assurances that fish-quota hopping will be curbed.

The new treaty was deemed necessary to streamline the union and simplify decision-making in readiness for enlargement.

reduce use of a national veto by extending voting by QMV to eleven new areas of policy, including environment, industry and culture. Use of QMV will also be extended to decisions on justice and immigration policy after the new shared powers have been up and running for three years. A form of QMV is also now proposed in foreign policy-making.

The extension of QMV goes further than the new British government had hoped, but is not expected to be a major issue of contention.

INSTITUTIONS

The powers of the parliament to share in EU law-making are extended. The system of "co-decision" whereby the parliament's agreement is necessary before laws are finally passed by the Council of Ministers is extended to new areas of policy. The parliamentary procedures are also simplified. The number of members of the parliament, after new member states join for east and central Europe, is capped at 700.

Controversial reforms of the other Brussels institutions – such as numbers of commissioners – have largely been deferred until enlargement is closer.

SIMPLIFICATION

The new treaty was intended to simplify and codify the EU's mind-bogglingly complex 12 treaties and acts, which contain 800 articles. However, the process has been abandoned for the time being. Some countries, including Britain, feared that simplification might actually lead to more power for Brussels.

The draft text does, however, propose that the complex texts which do exist should be more "transparent". Citizens are to be given some new rights to see EU papers "subject to general principles and limits on the grounds of public and private interest to be decided by the community".

ADDITIONAL SIDE-AGREEMENTS

Britain wants to see new proposals to curb fish-quota hopping, as an addendum to the new treaty. No such proposals have yet appear in the draft text.

Main points of the projected Amsterdam treaty:

BORDERS

The draft text proposes abolishing all checks at borders between EU member states, to produce a border-free Europe within five years. There will be no controls at these frontiers on any people, be they EU citizens or third country nationals.

The UK and Irish Republic, which already have a common travel area, are given the right to maintain their own border controls. The text also makes provision for the UK and Ireland to adopt power-sharing arrangements at external frontiers, and common internal security measures, should they choose. Britain is seeking watertight guarantees that its sovereignty over border checks will not be impaired by the EU's wider power-sharing plans.

In parallel with abolition of internal controls, the draft text proposes that member states will put in place new harmonised immigration and asylum checks at their external crossing points with non-EU states. In order to allow freedom of movement within the EU, the idea is to create a strong ring-fence around the union to control outsiders entering.

SECURITY

To promote security within the new common travel area, the treaty proposes greater power sharing in crime-fighting, policing and judicial matters. The powers of Europol, currently a data-sharing body, will be boosted to allow more co-operation between forces and joint police actions.

Procedures for regulating security and border issues will, for the first time, come under control of the European institutions. Previously, most border and security power sharing has been operated loosely, outside the EU, by a smaller group of states, under the so-called Schengen Agreement. Schengen will now be subsumed by the EU procedures.

FOREIGN POLICY

Greater harmonisation is aimed for by reducing use of the national veto, to allow member



The draft text paves the way for EU member states to develop a common defence policy for the first time

states to take decisions on strategy by qualified majority.

However, under a system of so-called "constructive abstention" a member state which does not wish to participate in a particular policy may choose not to, but cannot prevent others from going ahead.

A veto over common strategies can only be used where a state has "important and stated reasons of national policy". Britain has accepted the foreign policy chapter, which is now broadly agreed.

DEFENCE

The draft text paves the way for the EU to develop a common defence policy for the first time.

Contrary to the wishes of the UK and neutral countries the text proposes phased "integration" of the Western European Union, currently a defence co-ordinating body, into the EU. No dates are set, but over time the text clearly envisages developing a military capacity for the EU.

The EU can "avail itself" of the WEU to implement decisions which might have defence implications. In addition, the EU draft treaty also grants the union powers to carry out tasks which involve humanitarian, rescue and aid missions, probably under military control.

DECISION-MAKING

(1) Flexibility

For the first time groups of member states are to be al-

lowed, by their treaty, to share powers, without other EU members. The concept of "flexibility" or "differentiated integration" is highly complex and can only take place under a system of tight rules.

Interests of member states, not taking part in a power-sharing plan, must be protected and several EU policy areas, are ring-fenced against flexible power-sharing such as the single market. A majority of states must want to take part and any



Britain wants fishing quotas enforced more stringently

state should be allowed to join at a later date.

Britain wants to ensure that states should only be allowed to go it alone after a unanimous vote of all EU countries. However, the current text states that permission to share power "flexibly" can be taken by qualified majority in several areas of policy.

(2) Qualified majority voting

The new treaty will further



Policies to promote employment will be a target for greater co-ordination, but national laws will stand

EMPLOYMENT

There will be greater co-ordination of policies to promote employment but national laws will not be harmonised.

The text balances the objectives of creating a high level of employment and social protection through promoting competitiveness. The European Commission is given new powers to propose guidelines on job-creation, which can be accepted by a qualified majority of the council.

Britain and Germany have opposed a proposal for "incentive measures" to create jobs, which could lead to new community spending. Britain wants European Union policy to emphasise "flexible" labour markets. The text talks of "adaptable" workforces, responsive to change.

For the first time, the EU will incorporate the Social Chapter into the body of the treaty, as a result of Britain's decision to end its opt-out. Under the chapter, the member states aim to increase co-operation in social policy such as working conditions.

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The Brontës as you've never seen them before

In an exclusive interview, Charlotte and Emily bare their souls to **David Benedict**

Emily is having none of this. Her favourite adaptation? "Tragically, there were no York-Edwards in the 1930s, so I guess I'm stuck with The famous 1939 film of *Wuthering Heights* nearly didn't get made. Sam Goldwyn announced that he didn't like stories with people dying in the end and added a final sequence with Heathcliff and Cathy reunited in heaven. Armed with poster, Merle Oberon, David Niven and a Olivier screaming "Torn with desire, twisted with hate", it became an enormous hit. Graham Greene wasn't impressed. "A lot of reverence has gone into a picture that should be as coarse as a sewer." Part of the

'It's Cliff,' reveals Charlotte Brontë (right) on coming out of hiding. 'He's taken our books, well, Emily's actually, and done a lovely job'

In flat contradiction to the "official version", their relationship appears strained. Anne, who has popped off to Damart for a vest on account of her "weak chest", comes in for sharp criticism. "Personally, I think *The Tenant of Wildfell Hall* is a dreadful story, an appalling book," snaps Emily. "It's got very little to recommend it at all, although she did try her best." "I'm convinced that Anne does have very neat handwriting," Emily cites Bransell's portraits and declares him to be a "mistaken genius, a statement that positively ungrates" the touchy Charlotte. Swivelling round in her chair, she fixes her shorter, younger sister with her heady blazing eyes. "Where did the house-keeping money go, that's what I want to know. That chemist in the village seemed to be doing very well whenever Bransell went in. I think he would have got on very well with Will Self."

She's similarly emphatic on the subject of the

Anxious to calm the increasingly malcontent atmosphere, I ask Emily the question every one yearns to ask. Living such a secluded life, what inspired the thrilling horror of *Withering Heights*? Her round face lights up at the memory. "It's a little known fact but tuberculosis does stimulate the sexual imagination." Charlotte interrupts with a sudden coughing fit but Emily blithely disregards her. "I think I was stimulated when I wrote it. I had a temperature. Thank God there weren't antibiotics.

There is one offshoot for which they have nothing but praise. *Withering Loops* is a finished stage picture of their lives by comedy duo Lip Service, featuring two actresses who bear an uncanny resemblance to the esteemed authoresses seated demurely in front of me. "It encapsulates us," beams Emily. "They've got their finger on our pulse." "Highly talented," agrees Charlotte, vehemently, "particularly the tall one."

Lip Service's current *Withering Loops* at the Harkness Theatre (01043) 01/21/94, 22 Jan at the Harkness Theatre (01043) 01/24/94, 01/27/94, 01/28/94, 01/29/94, 01/30/94, 01/31/94, 02/01/94, 02/02/94, 02/03/94, 02/04/94, 02/05/94, 02/06/94, 02/07/94, 02/08/94, 02/09/94, 02/10/94, 02/11/94, 02/12/94, 02/13/94, 02/14/94, 02/15/94, 02/16/94, 02/17/94, 02/18/94, 02/19/94, 02/20/94, 02/21/94, 02/22/94, 02/23/94, 02/24/94, 02/25/94, 02/26/94, 02/27/94, 02/28/94, 02/29/94, 03/01/94, 03/02/94, 03/03/94, 03/04/94, 03/05/94, 03/06/94, 03/07/94, 03/08/94, 03/09/94, 03/10/94, 03/11/94, 03/12/94, 03/13/94, 03/14/94, 03/15/94, 03/16/94, 03/17/94, 03/18/94, 03/19/94, 03/20/94, 03/21/94, 03/22/94, 03/23/94, 03/24/94, 03/25/94, 03/26/94, 03/27/94, 03/28/94, 03/29/94, 03/30/94, 03/31/94, 04/01/94, 04/02/94, 04/03/94, 04/04/94, 04/05/94, 04/06/94, 04/07/94, 04/08/94, 04/09/94, 04/10/94, 04/11/94, 04/12/94, 04/13/94, 04/14/94, 04/15/94, 04/16/94, 04/17/94, 04/18/94, 04/19/94, 04/20/94, 04/21/94, 04/22/94, 04/23/94, 04/24/94, 04/25/94, 04/26/94, 04/27/94, 04/28/94, 04/29/94, 04/30/94, 05/01/94, 05/02/94, 05/03/94, 05/04/94, 05/05/94, 05/06/94, 05/07/94, 05/08/94, 05/09/94, 05/10/94, 05/11/94, 05/12/94, 05/13/94, 05/14/94, 05/15/94, 05/16/94, 05/17/94, 05/18/94, 05/19/94, 05/20/94, 05/21/94, 05/22/94, 05/23/94, 05/24/94, 05/25/94, 05/26/94, 05/27/94, 05/28/94, 05/29/94, 05/30/94, 05/31/94, 06/01/94, 06/02/94, 06/03/94, 06/04/94, 06/05/94, 06/06/94, 06/07/94, 06/08/94, 06/09/94, 06/10/94, 06/11/94, 06/12/94, 06/13/94, 06/14/94, 06/15/94, 06/16/94, 06/17/94, 06/18/94, 06/19/94, 06/20/94, 06/21/94, 06/22/94, 06/23/94, 06/24/94, 06/25/94, 06/26/94, 06/27/94, 06/28/94, 06/29/94, 06/30/94, 07/01/94, 07/02/94, 07/03/94, 07/04/94, 07/05/94, 07/06/94, 07/07/94, 07/08/94, 07/09/94, 07/10/94, 07/11/94, 07/12/94, 07/13/94, 07/14/94, 07/15/94, 07/16/94, 07/17/94, 07/18/94, 07/19/94, 07/20/94, 07/21/94, 07/22/94, 07/23/94, 07/24/94, 07/25/94, 07/26/94, 07/27/94, 07/28/94, 07/29/94, 07/30/94, 07/31/94, 08/01/94, 08/02/94, 08/03/94, 08/04/94, 08/05/94, 08/06/94, 08/07/94, 08/08/94, 08/09/94, 08/10/94, 08/11/94, 08/12/94, 08/13/94, 08/14/94, 08/15/94, 08/16/94, 08/17/94, 08/18/94, 08/19/94, 08/20/94, 08/21/94, 08/22/94, 08/23/94, 08/24/94, 08/25/94, 08/26/94, 08/27/94, 08/28/94, 08/29/94, 08/30/94, 08/31/94, 09/01/94, 09/02/94, 09/03/94, 09/04/94, 09/05/94, 09/06/94, 09/07/94, 09/08/94, 09/09/94, 09/10/94, 09/11/94, 09/12/94, 09/13/94, 09/14/94, 09/15/94, 09/16/94, 09/17/94, 09/18/94, 09/19/94, 09/20/94, 09/21/94, 09/22/94, 09/23/94, 09/24/94, 09/25/94, 09/26/94, 09/27/94, 09/28/94, 09/29/94, 09/30/94, 10/01/94, 10/02/94, 10/03/94, 10/04/94, 10/05/94, 10/06/94, 10/07/94, 10/08/94, 10/09/94, 10/10/94, 10/11/94, 10/12/94, 10/13/94, 10/14/94, 10/15/94, 10/16/94, 10/17/94, 10/18/94, 10/19/94, 10/20/94, 10/21/94, 10/22/94, 10/23/94, 10/24/94, 10/25/94, 10/26/94, 10/27/94, 10/28/94, 10/29/94, 10/30/94, 10/31/94, 11/01/94, 11/02/94, 11/03/94, 11/04/94, 11/05/94, 11/06/94, 11/07/94, 11/08/94, 11/09/94, 11/10/94, 11/11/94, 11/12/94, 11/13/94, 11/14/94, 11/15/94, 11/16/94, 11/17/94, 11/18/94, 11/19/94, 11/20/94, 11/21/94, 11/22/94, 11/23/94, 11/24/94, 11/25/94, 11/26/94, 11/27/94, 11/28/94, 11/29/94, 11/30/94, 12/01/94, 12/02/94, 12/03/94, 12/04/94, 12/05/94, 12/06/94, 12/07/94, 12/08/94, 12/09/94, 12/10/94, 12/11/94, 12/12/94, 12/13/94, 12/14/94, 12/15/94, 12/16/94, 12/17/94, 12/18/94, 12/19/94, 12/20/94, 12/21/94, 12/22/94, 12/23/94, 12/24/94, 12/25/94, 12/26/94, 12/27/94, 12/28/94, 12/29/94, 12/30/94, 12/31/94.



Outsider in grunge: Nigel Planer as the Flashmanesque
braggart, Parolles Photograph: Geraint Lewis

Theatre
All's Well That Ends Well
Open Air Theatre,
Regent's Park, London

Kaut-Howson's staging doesn't resolve the implausibilities, but for at least two-thirds of the evening it jollies the action along with enough verve and intelligence for you not to worry too much about them. It helps that she has a fine cast - particularly Isabel Pollen, making her professional debut, who gives Helena exactly the right qualities of youthfulness and maturity.

Not an entirely unproblematic production, then; but until the end, when Bertram's sudden conversion is unconvincingly glossed over, the problems are entirely superficial. It may not end well, but it's mostly well anyway.
To 6 Sep. (0171)-486 2431)

Robert Hanks

Classical
Spitalfields Festival London
Wraysbury Festival Staines

green copper spire, perched idyllically on the edge of the Thames. Neither, of course, offer ideal acoustics. Spitalfields gave the most elegant of concerts, planning not only each work in a pleasing context to the other and skilfully using all the players most of the time but managing a delightful symmetry of key – an E flat beginning in Mozart's K 499 Piano Concerto and an E flat ending with Mendelssohn's *Octet*. The Mendelssohn requires eight strings so Mozart's concerto was cut down to that number, and the BT Scottish Ensemble, surrounding the piano, gave a

But how many composers does it take to find one Judith Weir? The Great Wraybury Modern Music Marathon thought about 40 would suffice. Marathons are, of course, endurance tests and after three hours and 20 pieces, I fled. Mainly student works played by students from virtually every music college in the land left the ears tired and bewildered. Just two works remain with me – a delightful song by Patrick Baxter (Oxford University), and a lively little piece by Edmund Urbbani from the Purcell School.

Annette Morreau

[illegible][illegible]

single concerts as it not only offers more opportunities but also offers some kind of perspective to any new music. And it is very noticeable nowadays just how many festivals choose to emphasise contemporary work.

My week consisted of dips into two festivals, both of which presented concerts in churches. The first, last Thursday, was in the beautiful Hawksmoor church that is the Spitalfields Festival main venue. The second, on Saturday, was in St Peter's, Staines, a remarkable red-brick affair complete with green copper spire, perched idyllically on the edge of the Thames. Neither, of course, offer ideal acoustics. Spitalfields gave the most elegant of concerts, planning not only each work in a pleasing context to the other and skilfully using all the players most of the time but managing a delightful symmetry of key – an E flat beginning in Mozart's K 499 Piano Concerto and an E flat ending with Mendelssohn's Octet. The Mendelssohn requires eight strings so Mozart's concerto was cut down to that number, and the BT Scottish Ensemble, surrounding the piano, gave a

winning a Scottish spin, she has brilliantly succeeded in writing a concerto that should attain popular success. Once again the acoustic "flattened" the effect of markings in the score – the 1st movement cross-rhythms and accents undeniably muffled – but what marvellous writing, at once reminiscent of Brahms (in her elongations of phrases) and Schubert in such transparent textures – the piano part is frequently in octaves. The concerto was written for Howard who gave an utterly convinced performance.

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Annette Morreau

هكذا من الأصل



**KEITH
ALLEN**

Although Keith has a house in Gospel Oak, north London, which he shares with his current girlfriend, TV producer Niza Park, he is known to spend most of his time in the Groucho, a Soho drinking club, where he consumes monster amounts with the likes of Alex from Blur, the Gallagher brothers, and his best friend, Damien Hurst. He is godfather to Damien's



Photograph: Glynn Griffiths

the more he seems to relish it. So, Keith, when did you lose your virginity? "At 11. To a 12-year-

"I opened my bedroom door a chink. "2-11" he exclaimed excitedly. But he then remembered

these thoughts predominate." But not very

a bit of an S-H-I-I, as Alan Clark's wife, Jane, would say. But it is this mixture which, on screen, gives him such star quality. As an actor, he sure brings a lot to the party. May even be the party, most times.

Bosie Millard is offered advice from a Woman Who Knows. But does she know best?

Rosie Millard is the BBC's arts correspondent.

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14
the leader page

Now to design a Europe for the people

Two years ago, at a European conference in Messina held to launch debate on re-writing the Maastricht treaty, a rogue questioner caught Jacques Santer by surprise. "When is the president of the European Commission going to get me a job?" shouted a voice from the back of the room. Mr Santer, mid-way through his grand exposition on how the new inter-governmental conference would build a "new Europe", gave a fumbling response: something about answering the needs of the "citizens". The intruder, an out-of-work Sicilian truck driver, was rudely ejected on to the street, where he was later seen demanding a "Europe for jobs".

The Messina intrusion should have served as an early warning sign that Europe's citizens were tiring of interminable debates among their leaders which seemed to ignore their needs. But, since Messina (where the original Treaty of Rome was devised more than 40 years ago), such debate has intensified: the latest IGC, opening properly in Amsterdam today, has churned out ever more incomprehensible texts and protocols. Outside it, the workers' cries of protest will reach a new crescendo. Dutch protestors are already daubing summit posters in red paint. An "alternative summit" is now being planned. This time, will the heads of state and government be listening to their peoples?

Designing Europe was once so much easier for its leading statesmen. But that was when continental leaders were largely united in their long-term goal of a federal Europe. Federalism may not always have been stated as the aim, but it was always the "end-station" implicit in the founding treaties. And the driving motivation for deepening ties was also clear: to avoid further wars. There was little need to debate these aims in public, because the consent of the people in most member states was largely taken as read. Britons apart, most Europeans did not question the need for integration, which seemed to make sense in principle, and did not at first impinge directly on their lives.

All of this was before Maastricht. During the 1991 Maastricht negotiations the politicians drew up a huge new integrationist agenda, which included treaty plans for a single currency. The final text was a monster, outlining procedures of such complexity that ordinary people recoiled in dismay. The Danes balked at the treaty in their referendum. The French nearly did the same, and all over the continent opinion polls showed plummeting support for "Europe" - whatever "Europe" was deemed to be. The malaise was exacerbated as the process of harmonisation was felt by ordinary people for the first time - particularly as the single market rules began to bite. Whether it was German beer or French chocolate,



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people rejected harmonisation in favour of their national tastes. Politicians who were unaccustomed to challenge were being asked: What is it all for? The Brussels technocracy found itself increasingly reviled. Maastricht austerity measures are now being imposed just as Europe hits a tally of 18 million unemployed.

To most people, Europe has become a project for the elite. For big business, and for those whose days are spent in airport departure lounges, more integration may make sense. But what does it bring to the majority of Europeans? This summit will show that Europe's

leaders are being somewhat humbled. There will be less talk of grand designs; more of past mistakes and the need to get closer to the "citizens". The Dutch presidency has even suggested that heads of state and government arrive at the summit on bicycles. Tomorrow's final text will reveal Europe's more limited political ambitions. The Amsterdam Treaty was once intended to be a giant leap towards a framework for a federal Europe. But, whatever John Redwood claims, the final product will not go towards achieving what Helmut Kohl once envisaged as complete political union.

So where does Europe go after Amsterdam? The message from the streets should have been heard long ago, but after the French election results the demands can surely no longer be ignored. The French vote for the socialists was not anti-European; Lionel Jospin is as committed to European integration as any European leader. But by choosing Mr Jospin, the French believed they were at least voting for a different Europe - for a Europe which listened to people. Politicians going to the polls elsewhere on the continent are now certain to take note. Within the Brussels institutions there is also a clear recognition today that it is time to set aside theological debate about Europe's "architecture" and look at the substance of what the EU can do. Even within the European Commission there is relief that there is no more talk of another IGC.

There is a lot of "substance" to deal with in the next few years. Monetary union must be brought up and running effectively and in a way people can support. There is the crucial question of reforming the common agricultural policy. Finding ways to negotiate membership for countries such as Poland and Hungary will be a monumental task.

Tony Blair has been repeatedly asking the same question, each time more integration is proposed: "Why?" It is the people's question. It is the question

that needs to be answered on every European front. No longer can the pre-summations of the old Bonn-Paris elite be taken for granted. They must be challenged, but without undue prejudice. As Europe takes stock of its goals, the federal agenda will not go away. But the politicians must recognise that they cannot force the pace of integration - at least not until they have learnt how to take account of the views of that man at Messina.

Much-prized controversy

Before we know if the Tate Gallery will be in court. When Labour tried a policy of all-women shortlists it was ruled unlawful by an industrial tribunal. Now the judges of the ever-controversial Turner Prize for contemporary art are reported to have come up with a shortlist of four women. Could this be related to embarrassment over last year's all-male shortlist, or is Nicholas Serota really saying that this year four women just happen to tower over the available talent in picking sheep and making videos? The row will probably overshadow the usual eruption over the fact that there is never a painter on the list. Just for the record: yet again, there isn't.

LETTERS TO THE EDITOR

Hague: the expendable Tory leader

Sir: The right wingers of the Tory Party resemble the left wingers of the Labour Party in at least one respect. They believe that the reason their policies are rejected by the electorate is that they have not been implemented in their full extremity. The obvious solution, to them, is to move the whole party and its policies in their direction.

How odd, then, that many right-wing Tory MPs appear to be favouring the youthful William Hague in the leadership contest to the point of rejecting Michael Howard on the first ballot.

Could the explanation be that their true desire is for the return of a certain "MP" at some future time, preferably just prior to the winning of a general election? They may feel that Mr Hague does not have the inner steel or the depth of support to withstand their Machiavellian plots, which would make him their ideal, expendable leader.

G A BRADSHAW
Sheffield

Sir: The news revealed by your front page today comes as no surprise ("Tory left prepares to leave", 14 June). Kenneth Clarke, instead of accepting the democratic will, seems to be saying that people should support him, and if they don't then he and his cronies will leave the Conservative Party, with the possibility that Paddy Ashdown may have some new supporters.

His intransigence was one of the reasons for New Labour now getting into power, and it will become him to carry on in the same vein by giving the impression that "I cannot play centre forward, I'm going to take my ball home."

In any case, before saying that he would not serve as a member of William Hague's shadow cabinet, would it not be better to wait and see if he was invited?

If the right-wing groups of Peter Lilley and Michael Howard had decided to back John Redwood, then the voting after the next round would have meant that Mr Redwood had a considerable lead, only needing to get around 10 of William Hague's supporters, so that he would have the magical figure of 83.

If this scenario had been reached, what would Ken Clarke's position have been? It's possible that he would have said exactly the same, thus giving the unfortunate impression that he would only serve in a Cabinet if he were to be boss.

It takes a man to accept defeat gracefully, and there must be a lot of people who wish that Ken Clarke would, saying something to the effect that "OK, I have lost. So be it. If you decide that you need advice, then ask - I will give it, without any rancour."

GRANVILLE BROADHURST
Accrington, Lancashire

Sir: Whatever the imperfections of the Conservative leadership contest, it is striking that all three main parties eschew the "first past the post" electoral system for deciding who will lead them. After all, that system can all too easily produce unrepresentative and divisive results.

I have not heard a single Conservative argue that Ken Clarke's victory in last week's first round entitles him to a democratic mandate. Yet that is precisely the basis on which we currently run the country.

ALAN LEAMAN
Corfe Mullen, Dorset



Benefits of falling birth rates

Sir: Hamish McRae's article (11 June) about falling birth rates in the West missed out the most important and central point.

The world's population as a whole is increasing very rapidly and even at the most optimistic estimates will lead us into great problems very quickly indeed. We should be glad if there are any countries where rates are falling below replacement level. We should take note of the lessons they offer us and emulate them rather than imagining that more is better as regards human replacements.

France has managed to keep its population increase down and maintain its population numbers steadily over recent history. That is the sort of behaviour which will benefit all mankind.

Increase in human numbers is generally paralleled by species loss amongst plants and animals. It is a very self-centred view that looks at human numbers alone.

MARGARET BALLARD
London SW3

Sir: Interesting though Hamish McRae's article about the falling birth rates in the West was, I find it extraordinary that intelligent men such as he are still unable to grasp the basic reason.

It has absolutely nothing to do with "a vote of no confidence in the future". It has everything to do with the fact that it is finally almost acceptable for women to choose not to give birth - and not to be seen as some sort of freak for making that choice.

TERESA GREENER
London E11

MOX fuel flies in safety

Sir: Your article (13 June) about the transport of mixed oxide (MOX) nuclear fuel is misleading. MOX material is not nuclear waste. It is not nuclear fuel being imported for reprocessing. It is Mixed Oxide (MOX) fuel, manufactured from uranium and plutonium which has been separated from recycled used nuclear fuel.

MOX fuel, and other nuclear materials, have been transported by air from Carlisle airport for a number of years, in complete safety. We have never made a secret of this and have publicised this through presentations and international conferences. Carlisle has most recently been used to transport MOX fuel to a customer in Europe. The transports involved a total of five flights and were all conducted in complete safety. That fuel is now in a reactor, generating electricity.

Even in a hypothetical scenario where the container was damaged to such an extent that it was split open, the MOX fuel inside would not disperse in air - it is a hard, stone-like substance and cannot be disintegrated to a powder. The safety of air transportation has been acknowledged by independent experts.

In a report in 1988, an independent advisory group, the Advisory Committee on the Safe Transport of Radioactive Materials (ACTRAM) stated that: "The

health risk to people from the international transport of civil plutonium by air to and from the United Kingdom is ... extremely remote. It went on to say that "The tests carried out by BNFL indicate that the packages in use and designed to be sure of meeting the regulations are, in fact, considerably stronger than required by the regulations."

ACTRAM was set up at the request of the UK Parliamentary Environment Select Committee specifically to investigate the transport of civil plutonium. As an additional precaution, BNFL specify that MOX fuel flights will be routed away from urban areas and over the sea wherever possible. Dedicated freight aircraft are used, following routes which are approved by national air traffic control centres and registered with the European air traffic control centre in Brussels.

PETER OSBORNE
Media Affairs Manager (Risley)
British Nuclear Fuels plc
Warrington, Cheshire

Death in Harlem, not Bangladesh

Sir: The announcement of an inquiry into the social causes of health to be led by Sir Donald Acheson (report, 11 June) is most welcome. The need for it is illustrated by health statistics from the world's richest nation, the US, where a child born in Harlem today

is likely to die younger than a child born on the same day in Bangladesh - the world's poorest nation.

Unless serious action is taken to reverse the growing health inequalities in the UK, we shall inevitably end up in the same situation here.

DONALD REID
Chief Executive
Association for Public Health
London WC1

Crouch End chorus funding

Sir: Thank you for giving such magnificent coverage (11 June) to Crouch End Festival Chorus' recent success in the American Chorus with its album *Cinema Chorus Classics*.

Last year's readers think otherwise. Let me make it clear that in the true spirit of amateur music-making, members of the chorus donate their time entirely without charge and did not "receive session fees of £9,000 between them". These fees, after payment of expenses, go straight into their funds, as is proper for a registered charity, and support our educational aims as realised in our adventurous programming. This includes the commission and performance of works by both established writers and those at the start of their careers.

JOHN GREGSON
Chair, Crouch End Festival Chorus
London N8

Tackling stress in the workplace

Sir: Dr Peter Graham of the Health and Safety Executive is right to say that "stress costs British business a considerable amount in monetary terms" ("Government sets up inquiry into stress", 13 June). This is part of the message the Trades Union Congress has been sending to Government and employers for a long time.

A recent survey of over 7,000 trade union safety representatives, undertaken by Mott for the TUC, revealed that 68 per cent identified stress as the major health and safety issue for their members, supporting the TUC view that tackling stress in the workplace must be a priority. Trade unions want to work closely with employers and the HSE to develop policies and working practices which will prevent stress-related illnesses and look forward to a constructive role in future policy development.

JOHN MONKS
General Secretary
Trades Union Congress
London WC1

Perilous polenta

Sir: Reference to the correspondence "Weeping into my polenta" and in support of Charlie Burgess' letter (13 June).

When I was in Austria many years ago I was told by a former soldier that the German-speaking troops in the first world war referred to polenta as "Die gelbe gefahr". "The yellow peril".

GERRY LAKIN
Driver, Kent

Reasons Ceuta stays Spanish

Sir: As an expatriate Gibraltarian I would like to answer John Evans' question (Letters, 12 June) - why does Spain believe the retrocession of Gibraltar will be achieved before the return of Ceuta and Melilla to Morocco?

The simple answer is that it suits the Moroccan Government for Spain to retain sovereignty over these two enclaves. Morocco raised the decolonisation of Ceuta and Melilla at the UN Committee of 24 in January 1975 but since then has never forcibly pursued its claim. In the event of Islamic fundamentalism from Algeria encroaching into Morocco, King Hassan II regards the two enclaves as being an insurance policy to ensure immediate military support from the European Union. For the record, Ceuta has a population of 67,000 and was captured by Spain in 1580. Melilla has a population of 57,000 and has been a Spanish territory since 1497.

Both enclaves are deemed to be integrated into Spain and to be as Spanish as any town in mainland Spain. The British government of whatever political persuasion has steadfastly refused to allow Gibraltar to be integrated into the Mother Country.

Although democracy returned to Spain in 1975 there has been no attempt by the Spanish Government to win the hearts and minds of the Gibraltarians. The Spanish Government continues to impose intolerable delays at the frontier and makes it as difficult as possible for Gibraltar to succeed as an offshore financial centre and tourist resort.

There is now consensus amongst all political parties in Gibraltar that the Foreign Secretary must agree to the Gibraltar government's demand for a constitutional conference to do away with the stigma of being called a Crown colony.

The way ahead for New Labour is to agree to integration via a new constitution based on those of the Channel Islands and the Isle of Man. This would in effect retain the status quo but move responsibility for Gibraltar's affairs from the Foreign Office to the Home Office.

MICHAEL BRUFAL de
MELGAREJO
Fleet, Hampshire

The language of change

Sir: It might (or may) surprise Walter Roberts ("Grammarians weep! The bell tolls for whom", 14 June) to learn that academics of English linguistics have a rather more enlightened attitude than he does. Most of them readily accept that language changes and see these changes as a rich and fascinating phenomenon.

Whether these changes become common parlance is not up to (or down to) Mr Roberts. And it is certainly not a matter for the Oxford University Press. It is something that we, the users of the language, decide by common consent when using our language.

RICHARD MACANDREW
Caversham, Berkshire

Sir: Walter Roberts (14 June) might want to add "duck" tape to his collection of British language transgressions.

This sturdy silvery tape comes from America where it is widely used for sealing cracks in aluminium heating ducts.

JOANNA GIFFARD
Barnstaple, North Devon

The Charles and Tony show

There is much to be learned from the way the two men have handled the situation. John Rentoul

They both worry about the social fabric, the moral condition of the country

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the commentators

The Charles and Tony show

There is much common ground between PM and Prince, but what about the differences? asks John Rentoul

The full guest list was kept secret, so we have been deprived of some of the really important details, such as whether there was a side-conversation between Cherie and Camilla on the joys of hunting. But the Prince of Wales did entertain Tony Blair to dinner at St James's Palace 18 months ago.

They talked about education, which was not surprising, as the then Leader of the Opposition had just re-launched Labour's policy on the subject. And they are both keen on homework clubs. Charles runs a lot of them through the Prince's Trust. Tony relies on them to make good his promise to raise standards.

They have talked since, although not since the election, and - like almost anybody else who has talked to Mr Blair - Charles thinks the Prime Minister and he have a lot in common. They worry about the social fabric, the underclass, the moral condition of the country and especially its young people.

They spoke when the Prince's "planning group" came up with a five-point plan for reform of the monarchy last summer. Prince Charles, in his own rewrite of the monarchy's Clause IV, suggested cutting the size of the official HRH-styled Royal family and sorting out its finances. In the long term (that is, when he becomes king), he wanted to allow daughters to succeed to the throne on the same terms as sons, drop the monarch's exclusive Church of England franchise and end the ban on marrying Roman Catholics. Mr Blair responded favourably to all of these ideas (in the last case this is hardly surprising - Cherie is a Catholic), leaving the Prince in the same glow of common-sense consensus that lit up members of the public after the Prime Minister's question-and-answer session with them in Worcester last Friday.

No wonder, then, that Prince Charles all but endorsed the new government in his interview last night. It is not simply that, like Bill Clinton and Lionel Jospin, he could do with a bit of that Blair pop-

'They both worry about the social fabric, the moral condition of the country'

ularity (how the loser in the PR battle with Diana must look enviously upon an 82 per cent approval rating!). But there is much genuine common ground.

That is not surprising, if you think about it. Both Prince Charles and New Labour have been searching for policies on the "non-political" centre ground for some time. In 1993, Prince Charles warned of the "lethal cocktail" of unemployment, crime and drugs in inner cities, and was backed by Tony Blair, then shadow Home Secretary. Prince Charles used the word "stakeholder" in his speeches long before Mr Blair seized on it. And, as well as homework clubs, the Prince's Trust has been running a prototype of the Citizen's Service that David Blunkett plans for the nation's youth.

The Prince and the Prime Minister share similar views on religion too, although there is a difference between Charles's confused pantheism and Mr Blair's muscular but ecumenical Christianity. They both lament the lack of a spiritual dimension in public life these days. (While the C of E has welcomed Blair, the Prince has just been upbraided for not going to church every Sunday.)

So, New Labour, New Monarchy? Not quite. There are a number of subjects that Mr Blair is probably too tactful to go into in his Royal chats. Apart from hunting and guns, there is the question of where Prince Charles's sons go to school. Mr Blair can at least speak on education with the authority of someone whose children go to state schools, even if the Oratory is not quite a local comprehensive. (Nor is Mr Blair likely to say, as Charles did, that he is "delighted to see that the whole question of standards in education are being looked at.")

And it would be interesting to know what Prince Charles makes of Mr Blair's presidential style. Someone in Buckingham Palace certainly noticed when President Clinton passed through London with time for a leisurely dinner with the First Family but no room in the schedule for the titular Head of State. More to the point, what does he think about Labour's plans for constitutional reform: does abolishing the hereditary principle in the House of Lords not have implications for the monarchy? What about Scottish and Welsh devolution?

Mind you, the Queen (who, like Mr Blair, does go to church every Sunday) is only 71, and so for most if not all of the new Prime Minister's reign, Prince Charles will probably have to be found other constructive things to do - given that he won't just go away and play cards for the next 20 years. Luckily, the new government has just the job for him. The Prime Minister is still looking, we hear, for someone to head his Downing Street policy unit.



Labour should go to earth on fox-hunting

by Polly Toynbee

'W'e have a Towny government, hissed a disgraced spokesman for the hunting lobby as if referring to urban vermin. "What do all these Townies know about country life?" The British Field Sports Society has yet to find one single Labour MP who will speak out against a ban on fox-hunting. Some, they reckon, may choose to absent themselves from the vote, some have whispered their alarm, but none so far say they will speak up for the rights of fox-hunters. It may be a free vote, but no Labour MP so far says they will use that freedom to speak against Labour's manifesto commitment to outlaw hunting - its only sop to animal rights.

Today, Michael Foster, a long-time anti-hunting Labour MP who came top of the poll for private member's bills, will declare whether he will use his bill to ban hunting. The party whips were said to be dismayed at the prospect of this head-on collision with the Lords and the likely distraction from far more pressing matters, especially devolution. But they appear to have become more sanguine about it. Those who assumed they were embarrassed at such an illiberal act so early in the new government's life were mistaken. They say privately that their objection was purely procedural.

After all, Labour thinks it is on to a winner here. A majority of the population have for years declared their opposition to hunting - 65 per cent at the last poll. And it has long been a Labour article of faith. For the liberal intelligentsia, anti-hunting has often gone side-by-side with pro-rights, pro-abortion and anti-censorship. But among those doctrines of the liberal canon, hunting stands alone as the odd one out. All those other issues are about allowing people to do what they want without interference from the state. They demand that the state let people live, love and entertain themselves as they like, so long as they cause no harm to others. But banning hunting is about stopping people doing something they love.

Personally, as a Towny through and through, I can think of nothing I'd like less than charging off over hedge and ditch astride some brute of a hunter, shouting Yoicks and Tally-Ho in grave danger to one's life and limb. I am no more likely to hunt than to queue for tickets for Cliff Richard in *Heathcliff* or compete in *Gladiators*. But before we consider banning other people from doing foot-

ish things, there has to be an overwhelming reason why it is against the public good. A lot of nonsense is talked about fox-hunting on both sides, with spurious arguments backed by dubious statistics and reports. The British Field Sports Society claims fox-hunting is essential because it is the best way to get rid of foxes who do untold damage: one fox can kill over 50 lambs. Then in the next breath, they argue that they are the fox's best friend: "The British fox after 250 years of organised hunting is in very good shape and is a perfectly conserved species." Well is hunting about killing murderous predators or preserving them?

The hunters list the economic benefits: country sports generate £3.8bn, create over 90,000 jobs and bring £634m in tax into the Treasury. These figures are broadly misleading because they include fishing, by far the biggest country or blood sport. No, their best argument is that hunting is fun. Fox-hunters are not pest-control exterminators on horseback nor a mounted job-creation

'The very Old Labour class hatred will emerge as it becomes clear the target is not to save the fox but to top the toff'

scheme. They are people out enjoying themselves. Odd, maybe, but that's their thing. Now it is for the other side to prove that the harm they do justifies an authoritarian ban on their pleasure.

The only consistent case against hunting comes from those against the killing of all animals by human beings. Only vegetarians have a coherent case for banning hunting. Most farming is horribly cruel: calves are yanked from their mothers' udders leaving bereft cows to moo in despair. Animals are castrated, clipped, crated, forced to eat unnatural foods, bear unnatural numbers and sizes of offspring, shut away, factory farmed and despatched to horrible slaughter houses in terror before their time. Who would not rather be a fox in the wild than a farm animal, let alone a battery hen? A nasty end is better than a nasty life-time. The family pack-

on battery-reared chicken tikka sandwiches is committing greater animal cruelty than the hunt they watch galloping by. Now, if Labour MPs are going to ban hunting, hadn't they better enforce universal vegetarianism while they're at it?

Labour may find itself surprisingly blooded on this issue. It can pretend it's a private bill, but if not one Labour MP supports the right to hunt, it will look like a Labour law, as promised in the manifesto. Hunting may seem now like an easy issue but the opinion polls are not trustworthy: in 1993, 83 per cent of the public opposed fox-hunting, but now it's only 65 per cent. In the course of the prolonged row, it will drop yet further. Animal sentimentalists will realise some 300 packs of hounds will be put down. Point-to-point racing will end, as it is run by hunts. Old race horses will be put down instead of being sent out to hunt. And the fine sight of the lunatics in pink cavorting across the landscape will be gone forever. Don't count on public support staying steady on this one.

In fact Labour will rapidly look absurd and duplicitous as the argument progresses. Its very Old Labour class hatred will emerge red in tooth and claw as it becomes all too apparent that its real target is not saving the fox but topping the toffs. For it will try to preserve the blood sports of workers on foot while banning the filthy blood lust of toffs on horses. Labour policy-makers on hunting have always said that they would not rule out the gun packs, fell packs and so-called fox destruction clubs beloved of ordinary farmers, especially in Wales and Jack Cunningham's Cumbria. They are likely to seek to amend the bill to permit good working-class packs of hounds which flush out foxes for farmers on foot to shoot, on the spurious grounds that this is a clean kill. And fishermen, of course, already have their comical Charter for Anglers guarantee from Labour. (There are 3.3 million fishermen.)

Hunting the toffs will become a tricky business and Labour may come to wish it had gone to earth on this one. But it is not too late to stop it now. If the whips' machine is anything like as powerful as is claimed, they could ensure this bill does not get through the Commons. Are all Labour MPs so thoroughly intimidated by the animal rights lobby? For there is a risk of striking the first seriously sour and divisive note, a View Hallloo! to trumpet the abrupt end of Labour's one nation honeymoon. Its fox could be shot on this one.

British food: in the dock and hard to swallow

There is a most extraordinary case going on in the High Court at the moment, in which a health food writer, Josie Metcalfe, is being sued by the British food industry on the grounds that if people did what she recommended, the British economy would collapse. To give you some idea of what people are already calling the Health Trial of the Century, here is an extract from the opening day.



Miles Kingston

Counsel: Will you tell the court your name?

Metcalfe: Do you mean my real name or the name I write under?

Counsel: Either will do. **Metcalfe:** Josie Metcalfe.

Counsel: Is that your real name or the name you write under?

Metcalfe: Neither. That is the name under which I fight my legal actions.

Counsel: Ah! So you have been sued before?

Metcalfe: Yes. Often. **Counsel:** Have you ever won?

Metcalfe: I have always won. **Counsel:** I think this time will be a little different.

Metcalfe: Why so, chuck?

Counsel: Because you have the masses right of the British food industry against you, with the finest legal brains that money can buy.

Metcalfe: Does that mean you?

Counsel: Yes. **Metcalfe:** Then stand up straight.

Counsel: I beg your pardon? **Metcalfe:** You may be the finest legal brains in Britain, but your posture is dreadful. Do you ever get pains in your shoulder?

Counsel: Yes, quite often. **Metcalfe:** That's because of the way you stand. You're leaning awkwardly, which means -

Judge: Perhaps I should gently lead the discussion back to the matter in hand, which is the case of the British food industry against Metcalfe.

Counsel: Yes, m'lud. Now, Miss Metcalfe, may I direct your attention to an article you wrote two years ago in *Woman's Health Weekly*, in which you say as follows: "Most of our troubles would clear up if only we ate less food and bought more fresh vegetables instead of so-called convenience foods." Do you remember writing that?

Metcalfe: Oh, yes. I have written it almost every week since I started writing.

Counsel: Has it ever occurred to you that if people did what you asked, the great British food industry would be severely crippled?

Metcalfe: What's great about it?

Counsel: Answer my question first.

Metcalfe: I can't. I want you to define the terms of your question first. Tell me what this great British food industry is, and I will tell you if I am damaging it or not.

Counsel: I am referring to the vast and efficient structure which brings food from the producer to the people...

Metcalfe: Ah! You mean, the industry that clogs our roads with heavy polluting lorries?

Counsel: The system which takes lettuce from a field in Devon to a market in London and then all the way back again to sell in Devon? The industry which insists that all cucumbers must be wastefully shrink-wrapped?

Metcalfe: On the contrary, I am talking about the nationwide network of distributors and processors which has for the first time in history ensured that every customer has the chance to buy the food he or she wants.

Metcalfe: You mean, the industry which has given Scotland the worst eating habits in Europe? Which has caused the Welsh to give up green vegetables to such an extent that the Government is worried?

Counsel: And saturated the Northern Irish in fatty eating habits? Which is killing thousands of people a day?

Metcalfe: Would someone please PLEASE tell me what this is all about?

Counsel: Certainly, m'lud. This is the meaningless opening fencing session in which learned counsel and defendant exchange insults and try to browbeat each other.

Judge: Hrrm. Do you wish to add anything, Mrs Metcalfe?

Metcalfe: Yes. Do you ever get stomach pains?

Judge: Far too often.

Metcalfe: Then sit up straight, and you won't.

Judge: Thank you. Carry on. More of this mail-blasting trial tomorrow, I hope.

New York's different class of death

It's been almost a fortnight since police discovered Jonathan Levin's murdered body in his Upper West Side one-bedroom apartment. The crime jarred New York. A well-loved instructor at a tough South Bronx high school, 31-year-old Levin was shot in the head, his ankles bound with duct tape and his body jabbed with a knife. Police say he was tortured to death for the code to his bank card by a former student, 19-year-old Corey Arthur, who they have charged with his murder.

Levin happened to be the son of Gerald Levin, chairman of Time Warner Inc. The story of a school-teacher allegedly murdered by a former student has fascinated and saddened many layers of Gotham strata. The younger Levin showed an uncommon openness in letting his killer and his killer's accomplice into his house without a struggle. His killer was equally lacking in self-consciousness, if monstrously so. The former student knew Levin was a middle-class white but not the son of a media mogul.

CEO of the world's largest media concern. Arthur wasn't thinking of CNN, swimsuit issues and Batman movies, of stock valuations and buyout debt - the culture of Time Warner was of a city apart from the Sumner Houses projects where Arthur was captured after a speedy manhunt.

New York's vast civil service has been an entrée to the middle class for decades, but rarely the province of sons of privilege deliberately declassing themselves. Levin worked at Taft High School by choice. He distanced himself from his father's world and was highly involved in his students' struggles to go to college and to survive their adolescence intact. He had counselled Corey Arthur, who has been convicted for drug possession.

The rich man's son fit media narratives both custom-made and generic. For the tabloid *Daily News* it was an example of "A Generation Vexed". Teenage Arthur was another point of darkness among American adolescents, along with a pregnant New Jersey teen who gave birth this week at

her prom, discarded her baby in a bathroom stall and returned to the dance floor. Commentator Jim Sleeper connected Levin's father's company's promotion of gangsta rap and the accused's passion for hip hop, writing of Jonathan Levin that sons of "malefactors of wealth struggle to undo the damage they think their fathers have done". Gerald Levin's damage, in Sleeper's estimation, was to release rap CDs full of gory rhymes. *The New York Times* focused on the high risk involved for altruistic idealists like Levin in the metropolis, pointing that with Levin's murder "the noble calling of putting other people's troubles on your own shoulders has suffered serious blows."

Levin's affluent, driven family has been frequently contrasted with his loving, impoverished students in news reports. At his funeral service, weeping black and hispanic students mourned along with his father and his father's powerful friends. The elder Levin once said, "What my son is doing is more important than what I

have done." New Yorkers, though aware that the killing of a school-teacher would probably not have received front page coverage without his famous father, have wanted to assert that the younger Levin, though less important in the world's eye than his father, was more important to the city and more expressive of New York's generous character.

The younger Levin's death has allowed New Yorkers to endorse a concern for the public good over the bottom-line and thus to fictionalise itself into a city that opts for the public good, not the realtors' good. The most salient metaphor about New York and class in this story is not to be found in Jonathan Levin's life choice, however, but in Corey Arthur not knowing that Levin was a graced media scion. For Arthur, a middle-class New Yorker and an overclass New Yorker were indistinguishable from one another, perhaps equally unrecognisable.

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Members to profit by £1,400 on Norwich Union début

Tom Stevenson
Financial Editor

Norwich Union looks certain to make a sparkling stock market debut today, handing the life insurer's new shareholders substantial paper profits likely to average about £1,400.

Analysts and City book-makers expect the shares to end first dealings up to 60p higher than the 290p strike price announced yesterday.

That will provide instant profits for all Norwich's new shareholders but especially for those former members who were allocated shares at 265p in the oversubscribed £2.4bn offer.

The 25p a share discount they were given ensured high demand for the half of the offer reserved for members. Applications were scaled sharply back yesterday, although about half of applying members will receive all the shares they asked for.

Allan Bridgewater, chief executive, said yesterday: "We are delighted at the tremendous response from our members and from institutional investors. I believe this is an endorsement of the strength of the Norwich Union brand and the prospects for the business going forward."

The appetite of investors for the shares, which saw queues forming to beat last week's

heavily advertised deadline for applications, had already forced a clawback of shares worth £400m from the institutional offer to satisfy members' demand.

That enlarged members' offer was 3.9 times subscribed and only applications for £1,500 worth of shares or less will receive a full allocation.

Higher bids will be scaled back, with the highest possible applications of £100,000 receiving 9 per cent of the shares applied for.

A similar scaling back was applied to the non-members' retail offer, which was also heavily over-subscribed. The institutional offer was even

more popular, with professional investors applying for shares worth £12bn. They will receive just a tenth of that amount and some will get no shares at all.

Unsatisfied demand from those institutions, former members and other retail investors has more or less guaranteed a first-day premium for the 871 million shares sold in the £2.4bn offer. Profits from early dealings are over and above the value of £1.3bn free shares, which if expectations for today's trading are met, will net the average member £1,400.

The minimum 300 shares that 1.8 million with-profits members have received would

be worth £1,050 at 350p a share. The society's 1.1 million non-profit policyholders received 150 shares each, worth just over £500 at that price.

As with the recent Halifax and Alliance & Leicester flotations, buying from tracker funds will keep upward pressure on the shares until they enter the FTSE 100 index in September. With an estimated market value of £6bn, Norwich Union is guaranteed early entry into the market's top flight.

Analysts believe a fair value for the shares is around 330p and have said they would not look excessively stretched at a price of up to 380p.

The price at which institutions bid for shares in last week's bookbuilding exercise was at the top end of the 240p to 290p range indicated by the company.

Today's flotation creates the third-largest quoted insurance company behind Prudential and Royal & Sun Alliance, representing around a fifth of the value of the life assurance sector. Although the life business is seen as Norwich's strength, it is also the country's fourth largest general insurer.

Profits are on an upward path, with Salomon Brothers forecasting an improvement from last year's £567m pre-tax profit to £631m in the year to December.

Share allocations

Amount applied for	Amount allocated	Percentage allocated
£1,000	400	40%
£1,500	100	6.7%
£2,000	75	3.7%
£2,500	64	2.6%
£3,000	56	1.9%
£3,500	48	1.4%
£4,000	40	1.0%
£4,500	32	0.7%
£5,000	24	0.5%
£5,500	16	0.3%
£6,000	8	0.1%
£6,500	4	0.06%
£7,000	2	0.03%
£7,500	1	0.01%
£8,000	0	0%
£8,500	0	0%
£9,000	0	0%
£9,500	0	0%
£10,000	0	0%
£10,500	0	0%
£11,000	0	0%
£11,500	0	0%
£12,000	0	0%
£12,500	0	0%
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£15,500	0	0%
£16,000	0	0%
£16,500	0	0%
£17,000	0	0%
£17,500	0	0%
£18,000	0	0%
£18,500	0	0%
£19,000	0	0%
£19,500	0	0%
£20,000	0	0%

Paris Air Show: Relationships with US giant at new low as European plane makers sound warning on defence

Airbus steps up war on Boeing

Chris Godsmark
Paris

Relations between Airbus and Boeing plunged to a new low yesterday with the European plane-maker consortium accusing its American arch-rival of breaking European law in signing exclusive sales agreements with American carriers.

Boeing raised the temperature further by claiming European governments had deliberately softened their criticism of China's human rights record in order to help Airbus win orders.

Airbus separately raised the competitive stakes by announcing the marketing launch of a stretched version of its A340 wide-bodied jet to compete for the first time with Boeing's evergreen 747. A full launch, backed by a \$2.5bn investment programme, was predicted for September or October.

Rolls-Royce has been selected as the main supplier of the new engines, a significant breakthrough.

The fresh row with Boeing erupted as Jean Pierson, managing director of Airbus, claimed in a "personal" statement that Boeing's proposed merger with McDonnell Douglas could enable the US plane giant to "throttle" the Europeans.

He added that Boeing planned "to limit Airbus Industrie's role to that of a niche player, with a long-term view to eliminate it".

Mr Pierson raised the possibility that Airbus could start legal proceedings against Boeing in the European courts. "We will apply all legal and

necessary actions.... It is a way to lock markets but will stop any aircraft development progress."

Airbus refused to give details of private talks with Karel van Miert, European Competition Commissioner, last Friday. The European Commission, in a controversial move, is investigating the Boeing merger despite the fact that the two companies involved are based outside the European Union.

Mr Pierson claimed the merger would facilitate exclusive deals between Boeing and US airlines. So far the Seattle group has concluded three such supply arrangements, with American Airlines, Continental and Delta.

Airbus claimed these arrangements contravened provisions in the Treaty of Rome against cartels and market abuses.

Boeing insisted it would gain approval for the merger, but warned the European Commission's inquiry would ultimately damage both the world's largest plane-makers.

Ron Woodward, Boeing's commercial aircraft director, explained: "If things did escalate into a serious trade friction, I guess people may be hurt on both sides of the Atlantic."

In an extraordinary outburst, Mr Woodward claimed European governments had backed off from a human rights confrontation with the Chinese and "are being rewarded with aircraft sales". Airbus has so far won 93 orders in China since it began marketing there three years ago.

The company's stretched A340 will seat up to 378 passengers, with a longer fuselage and bigger wings, putting it in the same market as the original Boeing 747.



Turbulent times: The Eurofighter 2000 being demonstrated at the Paris Air Show at Le Bourget over the weekend

Photograph: AP

Jospin attacked over Aerospatiale plans

Chris Godsmark

The fate of Europe's \$40bn aerospace industry rests in the hands of the newly elected French Socialist government, senior industrialists warned in Paris yesterday. They said this could stand in the way of industry cost-savings estimated at up to £10bn.

In an unusually outspoken attack, Dassault, the family-owned French warplane builder, joined with BAE in predicting France could lose its place as the European industry consolidates if Prime Minister Lionel Jospin abandoned plans to privatise Aerospatiale.

The French administration is facing a week of intense lobbying during the Paris Air Show before a speech by Mr Jospin next Saturday, in which he is expected to spell out his industrial

strategy for the first time since winning power.

Margaret Beckett, the UK President of the Board of Trade, arrives in Paris today for talks with her European counterparts, including the new Communist French Minister of Transport. She will back BAE's drive to consolidate Europe's

fragmented aerospace and defence industries in line with rationalisation in the US. It emerged yesterday that BAE has calculated cost savings worth between £1.5bn and £2.5bn from each stage in the European merger jigsaw.

BAE also made clear its continued interest in combining with GEC, John Weston, a BAE managing director, said a GEC merger did not have to wait for wider cross-border restructuring.

BAE foresees using Airbus as the foundation of a broader consolidation, linking Europe's civil and defence industries into one company.

In January, the four Airbus partners agreed to turn the consortium into a fully-fledged company by 1999. At the same time Aerospatiale would have to be privatised and merge with Dassault to strengthen France's hand at the negotiating table.

But the new French government has raised the possibility before the election that it would abandon the privatisation plans.

Serge Dassault, the company chairman, said the restructuring issue had become urgent. "Our partners will not accept our participation in these negotiations unless we come to the table on an equal footing with them, that is to say, as a privatised industry."

Mr Weston hinted the UK and Germany could not wait for ever for France and may widen negotiations to include Spain or Sweden. "You've got to feel there's a degree of comedy about all this," he said in Paris.

BA's finance director Derek Stevens saw his basic salary up by £12,000 to £235,000, although a more than halved bonus took his total package down to £301,000 from £343,000. A BA spokesman said the performance bonus cuts were part of the airline's £1bn cost-cutting programme, which has obliged 55,000 staff to accept pay freezes or cuts, and has led to calls for a strike by one union. The Transport & General Workers Union is planning to ballot members over BA's plans to sell off its long-haul in-flight catering business.

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Grid pensioners to launch new court challenge

Chris Godsmark
Business Correspondent

The electricity industry is facing another round of complaints to the Pensions Ombudsman over the way companies have used more than £1bn in pension fund surpluses to help finance redundancy programmes. The challenge will come despite last week's High Court setback for pensioners of National Grid and National Power.

Solicitors acting for two

National Grid pensioners yesterday warned that the court ruling, by Mr Justice Robert Walker, opened the way for a wave of new complaints to the ombudsman. Dr Julian Farrand, the ombudsman, said he would use more than £1bn in pension fund surpluses to help finance redundancy programmes. The challenge will come despite last week's High Court setback for pensioners of National Grid and National Power.

The landmark case came after Dr Farrand ordered the Grid to pay back £46m to its

pension fund, which formed part of a surplus identified in 1992 and used to help pay for redundancies. National Power, which would have had to pay back about £250m, joined the legal action. The judge ruled last week that the pension fund had been wrong to side with the pensioners.

Most electricity companies had used surpluses from the umbrella scheme, the Electricity Supply Pension Scheme, in the same way after actuarial

valuations in 1992 and 1995 and would have had to pay back more than £1bn had the pensioners won their court case.

But it has emerged that in his ruling Mr Justice Walker raised the issue of whether the actuaries appointed to value the pension fund should have been more critical of the company's initial decision to allocate itself 70 per cent of the surplus. Only 30 per cent was given to pensioners in enhanced benefits.

The Grid's actuary, Bacon &

Woodrow, signed off the Grid's move in May 1993, but pointed out that its legal responsibility was only to determine that the allocation was "reasonable", because it did not exceed the value of the surplus itself. In the document Bacon & Woodrow said it had not commented on the wider issue of whether the allocation was fair.

The judge's written decision said it was "well within the experience of those actuaries who engage in pensions work" to

make a judgement on the question of the fairness. During the hearings, it emerged that the trustees of the Grid scheme had wanted a 50-50 division of the surplus but had been overruled by the company's board.

Peter Woods, the pensioners' solicitor, said a complaint would be made to the ombudsman should the trustees and the Grid oppose funding his clients' appeal. "Our view is that the actuary's role needs to be reviewed by the ombudsman."

IN BRIEF

BA directors' performance bonuses cut

British Airways directors have taken pay cuts as part of the airline's £1bn efficiency drive. Chief executive Robert Ayling's total pay package has been cut by 9 per cent to £513,000, thanks to a big cut in the value of his performance-related bonus for 1997. But the latest accounts reveal that Mr Ayling's basic salary actually rose this year by £64,000 to £400,000, an increase of more than 10 per cent, which left-wing Labour MP Jeremy Corbyn said was "disgraceful".

BA's finance director Derek Stevens saw his basic salary up by £12,000 to £235,000, although a more than halved bonus took his total package down to £301,000 from £343,000. A BA spokesman said the performance bonus cuts were part of the airline's £1bn cost-cutting programme, which has obliged 55,000 staff to accept pay freezes or cuts, and has led to calls for a strike by one union. The Transport & General Workers Union is planning to ballot members over BA's plans to sell off its long-haul in-flight catering business.

£680 payouts for Boots workers

More than 50,000 staff at Boots will receive tax-free bonuses averaging £680 each. The high street chemist made record profits of £426m in its latest year, which means that £34m has flowed into the staff bonus pool that Boots has been running since the 1950s. The £34m will be divided according to length of service with the company, with staff receiving the equivalent of an extra 4.6 weeks pay.

'Boost savings' plea to Chancellor

Pre-Budget lobbying continues with a plea from the London Chamber of Commerce today for the Chancellor to promote investment and savings rather than raising taxes. Boosting savings would be the best way to take the heat out of the economy, chief executive Simon Sperry said. "Any increase in taxes would choke the prosperity London is currently enjoying," he said, predicting that unemployment would fall sharply in the capital this year.

Separately, the Federation of Small Businesses asked for a tax exemption for small companies to retain their profits for expansion and the reintroduction of full first-year capital allowances.

STOCK MARKETS									
FTSE 100									
	Index	Close	Week's chg	Change%	1996/97 High	1996/97 Low	Vol	YTD	YTD %
FTSE 100	4783.10	+138.1	+3.0	0.7	4783.10	4056.60	3.44		
FTSE 250	4566.10	+112.9	+2.5	0.6	4729.40	4462.00	3.56		
FTSE 350	2312.50	+64.9	+2.9	1.2	2312.50	2017.90	3.46		
FTSE 100/250	2288.51	+8.1	+0.4	0.2	2374.20	2178.29	3.06		
FTSE All-Share	2266.11	+59.7	+2.7	1.2	2266.11	1989.79	3.43		
New York	7756.18	+35.4	+0.5	0.1	7711.47	5032.94	1.70		
Tokyo	2352.25	+47.6	+2.0	0.9	2061.56	1730.85	0.80		
Hong Kong	24112.55	+842.6	+3.7	1.6	14990.30	12056.17	3.13		
Frankfurt	2744.44	+39.2	+1.3	0.5	3744.44	2848.77	1.47		

Source: FT Information

INTEREST RATES									
UK interest rates					US interest rates				
	1 Month	3 Month	6 Month	12 Month		1 Month	3 Month	6 Month	12 Month
UK	6.44	7.06	7.71	8.08	US	5.59	6.06	6.56	7.05
US	5.59	6.06	6.56	7.05	Japan	0.59	0.75	1.21	2.16
Japan	0.59	0.75	1.21	2.16	Germany	3.0	3.19	3.50	6.55
Germany	3.0	3.19	3.50	6.55					

CURRENCIES									
£/\$					£/DM				
	Close	Week's chg	Year Ago	Index		Close	Week's chg	Year Ago	Index
\$ (London)	1.6355	+0.0001	1.9295	0.6114	£ (London)	0.6114	-0.30	0.6638	
\$ (NY)	1.6355	+0.0001	1.9295	0.6114	£ (NY)	0.6114	-0.13	0.6217	
DM (London)	2.8421	+2.85p	2.3482	1.7378	DM (London)	1.7378	+0.89p	1.5393	
DM (London)	187.586	+0.165	166.937	114.700	DM (London)	114.700	+0.665	109.145	
£ Index	100.3	+0.7	85.6	102.8					

MAIN PRICE CHANGES															
Rises - Top 3					Falls - Top 3										
Index	Price	% Chg	Index	Price	% Chg	Index	Price	% Chg	Index	Price	% Chg				
Albert Heijn Co	35.5	+10.3	28.3	Bank Group	-385	63.5	14.2	Telewest Comm	39.5	-15	20.3	Chryseus Co	251	-53	14.1
Amerstan Ind	1205.5	+25.5	19	Adams Ws	256.5	39	13.2								

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GAVYN DAVIES

What they are actually requesting is an improved system whereby members of the euro can co-ordinate fiscal policies sensibly, a necessary improvement to ensure the overall policy is not just a serendipitous composition of what the individual member states happen to be doing.

French demands would not mean a weaker euro

In the financial markets, the latest battle between Germany and France on the nature of the single currency is commonly portrayed as a battle between good and evil. On the side of good, we have the traditional German approach to macro-economic policy - strict adherence to budgetary discipline, a central bank made bullet-proof against political interference, and a corporatist pay-setting mechanism which generally delivers sensible wage increases.

On the side of evil, we have, if not exactly the French approach, then the traditional Mediterranean approach - high public borrowing, central banks which are subservient to their political masters, and a chaotic labour market which generates strikes and inflationary pay awards. Or, to put it more simply, it is argued that Germany stands for a strong euro, and the new French government stands for a weak euro.

It remains to be seen how much truth there is in this caricature. Admittedly, while the Jospin government may have its heart in the right place, it does not seem to have its head in the right place. Its domestic programme, which is based on the creation of 700,000 extra jobs in the public sector, the stimulus of demand through higher wages, and the curtailment of the working week in order to ration out scarce jobs, is scarcely the height of economic modernity. If implemented in anything like this form, it would

undoubtedly be a disaster, and a very rapid disaster at that.

Yet the overwhelming impression of France's new ministers is one of unpreparedness for office, of an administration that made rash promises during its election campaign because it expected to lose. There has been a lot of talk of Tony Jospin and Lionel Jospin, but it is hard to see why. Not least in their degree of pre-planning for office, the two new leaders in Britain and France have less in common than chalk and cheese. The view in Whitehall is that the Jospin government has yet to come to a definitive view on exactly what concessions to demand from the Germans on the single currency, and probably will not do so in time for the Amsterdam Summit this week. Instead, we may get a mixture of shadow boxing and suck-it-and-see from the French, with the real bargaining being left until later.

How much can, or should, the Germans be willing to concede to the French during the summer? When thinking about this, it is important to realise that much of the conventional wisdom on the weak euro/strong euro debate is just arant nonsense. Here are a few key points to recognise.

First, which nation in the EU has been most eager in the last year or two to devalue its currency in the foreign exchange markets? It is not the Italians, the Spanish or the French, all of whom are reasonably content with the competitiveness of their

exchange rates. No, the nation which has been desperately trying to devalue its currency is none other than Germany. Indeed the main reason being put forward by Chancellor Kohl for launching the euro in 1999 is that there would otherwise be a disastrous rise in the mark on the foreign exchanges. In other words, the Germans are interested in the euro because they want a weak currency, not a strong one.

Of course, this should be placed in context. One reason why the Germans have been so keen on devaluing their currency in the past two years is that the mark became substantially over-valued in the previous three years, under the impact of the sharply over-restrictive monetary policy being followed by the Bundesbank at that time. Nevertheless, according to Goldman Sachs calculations, the mark has more than fully eliminated its earlier over-valuation, and is now trading about 10 per cent below its long-term fair value in real terms. Despite this, the federal government in Germany is perfectly happy to push the mark still lower, thus proving that for the time being they have become proponents of a weak currency. I mention this simply because there may be times in the future when it will make perfect sense for Europe to think similarly to the way that Germany is thinking today.

Next there are the changes being demanded by the French on the Stability

Pact. These are also described as if they will "weaken" the euro. But again this is just rubbish. There is no sign whatever that the French are asking for any concessions on the key points in the pact - ie the aim to balance the budget over the medium term, and the system of fines which will kick in if budget deficits exceed the limit of 3 per cent of GDP. If they are asking for concessions on these topics, they should be sent packing.

But what they are actually requesting is an improved system whereby the members of the euro can co-ordinate their fiscal policies sensibly, a necessary improvement to ensure that the overall fiscal policy of the EU is not just a serendipitous composition of what the individual member states happen to be doing. The need for this is clearly fore-shadowed in articles 102 and 103 of the Maastricht Treaty, and Jacques Delors has suggested that it may be enough simply to append these clauses to the Stability Pact itself. If the French would be content with this, then it should certainly be acceptable to the Germans.

In any case, even if the French were asking for concessions to the key points of the pact, this would not result in a weak euro. If the fiscal policy of the EU is less restrictive than intended under the terms of the pact, this will inevitably induce the European Central Bank (ECB) to raise interest rates more than they would otherwise have done, a move which would result in a stronger

euro, not a weaker one. Amendments to the key elements of the pact should be rejected on the justified grounds that they would lead to bad fiscal policy, not on the cock-eyed grounds that they would lead to a weaker currency, which is the reverse of the truth.

All this assumes that nothing is done fundamentally to alter the independence of the ECB from political interference. Again, the French seem very ready to accept the basic principles here, though they do want a co-ordinated system under which member states can develop a "political counter-weight" to the board of the ECB. This smacks a bit of looming political interference, but as long as the statutes and objectives of the ECB are left untouched, then this should not be a problem. And, as any central banker should be aware, in the long run it is a poisoned chalice to attempt to set monetary policy in a political vacuum. A coherent system for making the ECB accountable to the political process is essential for its durability in a democracy, and this basic point was not properly considered by the drafters of the Maastricht Treaty.

The strong euro/weak euro dichotomy is therefore much more complex than is often realised in the financial markets. The domestic objectives of the new French government look a little alarming, but some of their demands on the single currency might actually make sense.

Magnus Grimond

The general election is to blame for the first dip in property market confidence since the sector started to recover from five years of stagnation. Evidence of the downturn for the first time since the end of 1995 emerges in the latest survey of the market by the Confederation of British Industry and Grimley, the property consultants, which shows nearly as many companies planning to cut property holdings as increase them over the next six months.

Businesses report fall in property confidence

Alistair Voaden, senior partner at Grimley, said it would be "inappropriate" for the Chancellor, Gordon Brown, to attempt to control the property market by raising stamp duty or bringing it within the value-added tax net.

"Having seen five years of inactivity, the last thing we need is any slowdown now," he said.

There has been widespread speculation that Mr Brown will raise stamp duty from 1 per cent to closer to the 8-10 per cent that is the norm in the rest of the European Union in next month's Budget.

The drop in property confidence is mirrored in a fall in general business optimism uncovered by the survey. Even so, Stuart Morley,

Grimley's head of research, said the findings had come as a bit of a surprise, as the evidence on the ground is that the market is still quite strong. "We put that down as the period when the survey was taken. April-May was either side of the election and companies were probably being cautious."

Mr Morley said there was still a

need for more development to satisfy demand, as the survey showed that shortage of suitable property was now a serious constraint on companies' expansion plans. Indeed, this shortage may have been as much of a factor as the election in explaining the drop-off in confidence.

He expected the next survey to show a return to a more optimistic

stance by companies, but said: "I do not see it getting overheated to anything like the extent of the 1980s."

Today's survey shows that 22 per cent of companies plan to reduce their property holdings as opposed to 23 per cent looking to increase them. The resulting positive balance of 1 per cent is down from 6 per cent in the last survey in January.

Looking back over the past six months, a net 6 per cent of companies raised their property holdings, compared with a balance of 21 per cent who forecast they would in January. The retail sector remains the most buoyant.

The strongest growth over the six months came in the South-east of England, including London, and Scotland, with both the South-east and Scotland also most optimistic about the immediate future. The East Midlands, Northern Ireland and Welsh are the gloomiest.

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news

When the art world painted the city of dreams bright red

David Lister joined the cognoscenti in Venice for some serious fun

At the weekend, the Lisson Gallery in London threw a 30th anniversary party. But at this time of year the art world has descended from the capital.

So Nicholas Logsdail, director of the Lisson, took over a mansion and gardens on an island a hop across the Grand Canal from Venice, played rave and jungle music on the lawns, and the cream of Britain's subsidised art sector let their hair down, forgot about their diminishing purchase grants and boogied.

When in Venice act like ... well, act like the British art world at play.

You could see them arriving in their hordes at Venice's egalitarian airport where the lack of VIP areas meant that the sweltering queues for water taxis included contemporary art collector Charles Saatchi and young family. Tate Gallery director Nicholas Serota, who had celebrated his honeymoon in Venice a few weeks earlier, and, making much more of a

spectacle, the non-Brits at this international celebration of art's cutting edge.

In a sea of cigar smoke came the larger than life Thomas Krens, director of the Guggenheim Museum in New York. And behind him in the midday sun, a septuagenarian female New York collector slowly and solemnly donned a gas mask. The world's most romantic city isn't to everyone's taste.

But in the name of art ... in the name of art the British contingent takes itself off to the special exhibition *Future, Present, Past*, organised by Germano Celant, curator of the Biennale.

Celant is a master of European art-speak. The theme of his exhibition is, he says, "the flux which arises out of a dialectic of continuity and discontinuity." But he is nothing if not Italian. The "art" he has selected includes a bevy of girls posing in bras and panties. In a presumably ironic nod at Nineties museum practice, their

underwear is even being sold at the gallery shop.

Having to study this artwork is tiring stuff for the British gallery directors, curators, press officers and assorted spouses. Happily, there is more rest and recuperation at hand.

The next piece of Chianti-aided networking is at the Venice Guggenheim's delightful

canalside location. But here there is an undercurrent of tension beneath the air kisses. No British gallery is taking the Guggenheim's exhibition of Stuart Davis, deemed the father of pop art, he is nevertheless barely known over here. "Britain isn't on the circuit any more. It's as simple as that," snaps Philip Rylands, director

of the Venice Guggenheim. There's some bad blood here. The British gallery directors don't like Tom Krens, the Guggenheim overlord. He sells off masterpieces, a Chagall and a Modigliani, to finance more acquisitions. And he franchises museums in Europe. It's all very bad form.

But the lead singer of the jazz band doesn't care. A *Money Python* fan, she gasps mid-note as she sees Michael Palin walk in. The comedian is the latest recruit to the celebrity art circuit, there to champion Scottish art, he says enigmatically.

Back at the Biennale the critics are roaming the national

pavilions and are puzzled. Not by the British artists; Rachel Whiteread's show is acclaimed, and former Turner Prize winner Douglas Gordon has won a special prize. But the other countries' exhibits are causing them trouble.

Outside the Icelandic pavilion two British critics debate whether the video they have just watched is of a swathe of ice or of a boiling geyser. "Ice would be too obvious for Iceland," says one. "There's a lot to be said for the obvious," retorts the other. More problems lie ahead.

The exhibit in the Japanese pavilion is said to be so fragile that only one person at a time

can come in to see it. People in the queue are close to fainting in the heat.

The Austrian exhibit turns out to be piles of catalogues. The catalogue is about the Vienna Group, a literary circle of the Fifties. No one is quite certain whether this group existed, or whether the essays about it are part of the elaborate joke. The consensus is that it did exist, but it would have been a better joke if it hadn't.

Late night in St Mark's Square and more jazz at the outside cafés. A figure stands up alone and dances magically in the vast piazza. It is sculptor Tony Cragg, arms akimbo, making

ing ostentatious sculptural shapes in his solo dance.

Next morning there is a champagne breakfast to welcome China into the warm, inebriated embrace of the art world. The People's Republic is exhibiting for the first time at the Biennale.

Painter Chen Yifei was exiled to the countryside as a labourer during the Cultural Revolution. He has recently been painting portraits of people in Tibet. Over the champagne he was asked if he had found the Biennale a little decadent. He paused inscrutably. "It's hard to say," he smiled eventually.

We'll take that as a yes, then.



Making waves: (from left) The artists Rachel Whiteread, Marcus Taylor, Tania Kouats and Alex Hartley boating on the Grand Canal, Venice

Photographs: Peter Fleiss

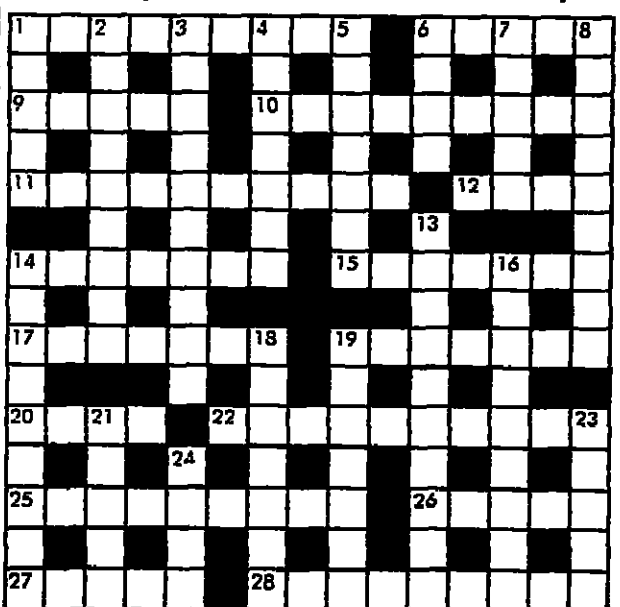


Spaghetti function: Anish Kapoor, former Turner Prize winner (second left) holding court in Venice over a plate of pasta with (left) Louise Neri, from the Whitney Museum in New York, and (right) Professor Kasper König, head of the Munster Festival in Germany, and (second right) his wife

THE INDEPENDENT CROSSWORD

No. 3326, Monday 16 June

By Porcia



- ACROSS**
- Natural feature of South African mountain country (9)
 - Happy state of ignorance? (5)
 - Top man brought in is of little value (5)
 - Dull living at home before (9)
 - Manage appropriate care (4,6)

- Grain yield, by the sound of it (4)
- Sung to English hymn tune (7)
- Note about farm providing portion of income (7)
- Paper money introduced into Asian capital (7)
- Water obtained direct (7)
- Bait line, then is heading for river (4)
- Help awaits devastated region of Germany (10)

- Now's bad time to restrict press and TV (9)
- Behave badly in part? (3,2)
- Smack of discrimination (5)
- Director does mean to recast dramatic heroine (9)
- DOWN**
- Understood one's involved in the Northern do (5)
- Fail to overcome resistance (5,4)
- Detailed contents of English cathedrals in particular (10)
- Disturb present occupant of a French holiday cottage (7)
- Current dose (7)
- Almost short of soft cheese (4)
- I consider getting cross (5)
- Flowering plant's common drug source (9)
- In other words it means the same (10)
- Condition of beef (9)
- Octet Alan composed for artist of renown (9)
- French scholar found a real change in theologian (7)
- Craft knives (7)
- Roman figure in the Louvre museum (5)
- A Greek (5)
- Axe-like tool joins on, we're told (4)

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